

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

**

Paris, Wednesday, October 4, 1995

No. 35,022

NOT GUILTY, NOT GUILTY

Jury Acquits Simpson of Both Murders

Americans Bridle at Republican Social Cuts

By Ann Devroy
Washington Post Service

WASHINGTON — Americans have grown increasingly sour on the direction the Republican Congress is taking the country after months of partisan battles in Washington over major social programs, according to a new Washington Post-ABC News poll.

The poll shows that President Bill Clinton and the Democrats have scored strong points with an old tactic against the Republicans: suggesting that the party will shred the safety net of social programs that has protected many vulnerable and middle-class Americans.

Concern over Republican plans for programs such as Medicare and the Social Security retirement system is deep enough that for the first time since the Republicans took control of Congress, the public trusts President Clinton more than it does Republicans to handle the nation's main problems.

On perhaps the biggest public policy battle of the fall, large majorities of Americans say they oppose Republican plans to change Medicare, the health program for the elderly, or cut the rate of spending on the program.

One public figure seemed above the fray: General Colin L. Powell. The former chairman of the Joint Chiefs of Staff, enjoying an avalanche of publicity from his memoirs, is more popular in this country than the Pope, the poll shows.

General Powell, who has said he will not decide whether to run for president until November, would beat Mr. Clinton by 9 points in a two-man race, the poll shows.

But Mr. Clinton, whose approval ratings remained steady in the poll, and whose handling of foreign affairs recently has won more favor, would lead Senator Bob Dole of Kansas, the front-runner for the Republican presidential nomination, by 10 points if they were the only candidates on the ballot.

The poll showed that a majority of Americans would like another choice, and 62 percent said they would support the formation of a third party. Mr. Clinton held a slight edge in a three-way race among him, Mr. Dole and General Powell.

While there was some good news for Republicans in the survey of 1,530 adults conducted from Sept. 28 to Oct. 1, the results point to a serious decline in the public esteem the Republicans enjoyed when they took over Congress in January.

Strategists of both parties suggest that is a result of Democrats relentlessly attacking Republican proposals

See POLL, Page 6



O.J. Simpson, left, reacting with joy as he is found not guilty. Behind him is Johnnie L. Cochran Jr., his chief lawyer. (Myung J. Chun/Reuters)

The Old Message: One Land, 2 Nations

By Richard Cohen
Washington Post Service

WASHINGTON — "You are the ones who send the message," Johnnie L. Cochran Jr. told the O.J. Simpson jury in his summation.

Well, on Tuesday that message was received and it was, when you thought about it, nothing new. The Kerner Commission had a similar message back in 1968 after the urban riots of the time.

COMMENTARY

We are two nations, black and white. On Tuesday, one celebrated Mr. Simpson's exoneration while the other did not.

The polls told a sad tale. Among whites, 64 percent were convinced of his guilt. Among blacks, the figure was 12 percent. An overwhelming number of whites (74 percent) thought Mr. Simpson was getting a fair trial. Among blacks only 45 percent thought so — although probably many more do now.

These numbers, and what was heard on the street, simply said that blacks and whites looked at the same trial and saw things

entirely differently. At the verdict, whites gasped and blacks cheered.

But those polling figures, as bad as they may seem, didn't really tell half the story. Mr. Simpson, after all, was an unlikely figure to wind up so racially polarizing.

When he was first arrested, he was derided by some black commentators as virtually white. He had married a white woman, for one thing. He was rich and well-connected, for another. Yet, in the end, Mr. Simpson stood at the very center of America's racial divide — whites on one side, blacks on another.

The jury has yet to be heard from. Given the length of its service, it members are entitled to their book contracts or whatever goodies they expect. They might well say that race had nothing to do with their verdict, but I doubt it.

My guess is that Mark Fuhrman, the Los Angeles detective, lost the case for the prosecution. On tape, the jury heard him say the word "nigger" and that might well have been that. The seemingly fictional character the defense had created — the racist and corrupt cop out of a bad novel — had turned out to be

See RACE, Page 6

AGENDA

Drought Slashes Russia Grain Output

MOSCOW (AP) — Devastated by drought, Russia's grain harvest in 1995 will be the worst in 30 years, Agriculture Minister Alexander Nazarchuk said Tuesday.

Mr. Nazarchuk said the harvest is likely to total only 65 to 66 million tons, down 19 percent from 81.3 million tons last year.

Overall, Mr. Nazarchuk said, agricultural production will be down 10 percent this year from 1994. He said 26 million hectares (64 million acres) of crops were hit by the drought in European Russia this summer.

He forecast the 1996 grain harvest at 77 million tons, according to preliminary estimates — roughly even with the pre-drought forecast for this year's harvest.

Newstand Prices

Newstand Prices	
Andorra	10.00 FF
Antilles	12.50 FF
Cameroon	1,600 CFA
Egypt	1,500 CFA
France	10.00 FF
Gabon	1,100 CFA
Greece	350 Dr.
Italy	2,800 Lire
Navy Coast	1,250 CFA
Turkey	1,250 Dr.
Jordan	1,250 JD
Lebanon	U.S. \$1.50
U.S. MI. (Eur.)	\$1.20

M 0132 - 10.00 F

Dow Jones

Dow Jones	Trib Index
Down 11.56	Down 0.07%
4749.70	125.27
The Dollar	
New York, Tues. close	previous close
DM 1.439	1.426
Pound 1.5835	1.59
Yen 101.475	100.375
FF 4.956	4.9265

Opinion Pages 8, 9. Sports Pages 26, 27.
Books Page 9. Crossword Page 27.

International Classified Page 4.

Car Bomb Seriously Wounds the President of Macedonia

The Associated Press
SKOPJE, Macedonia — President Kiro Gligorov, who led Macedonia to independence four years ago, was seriously wounded Tuesday by a car bomb that killed his driver and could bring new turbulence to the Balkan republic.

Mr. Gligorov, 78, was reported to have lost his right eye in the explosion.

France and neighboring Yugoslavia sent doctors to assist in removing shrapnel from his head in hours of surgery, hospital officials said.

"For now, Gligorov's life is not in danger," the police reported. But doctors noted

that any head injury is serious for a man of Mr. Gligorov's age.

The assassination attempt was made as Macedonia, an impoverished nation of 2 million, seemed headed for more stability and better relations with its neighbors.

Greece agreed last month to end a crippling economic blockade. Just Monday, Mr. Gligorov was in Belgrade on his first official visit and said Macedonia and neighboring rump Yugoslavia could recognize each other as early as November.

The timing of the car bomb prompted local media to blame extreme nationalists, who have a long history of terrorism in this

unstable region. In Greece, scheduled Greek-Macedonian talks went ahead despite the attack.

The police said that in addition to the death of the president's driver, his security officer and five pedestrians were wounded when the remote-control bomb exploded.

Twenty kilograms (44 pounds) of explosives were packed into the trunk of an old Citroen car and Mr. Gligorov's armored Mercedes took the brunt of the blast.

Television film showed the car with its front right door ripped open and the rear right door closed but penetrated by metal shards.

Witnesses at the scene said most windows as high as the ninth floor on nearby buildings had been shattered by the explosion.

The site is about 100 meters from Mr. Gligorov's offices. The president's route to work is well known and traffic often slows his car where the bomb exploded. A small car ahead of the presidential limousine was reportedly to have deliberately slowed Mr. Gligorov's car before the explosion.

The police said two suspects had been arrested, but their identities were not

See BALKANS, Page 6

East and West, Economic Jitters Shake the Germans

By Alan Cowell
New York Times Service

SIERSBURG, Germany — Angelika Kiefer is not quite sure how many playgrounds there are for her four children in this cozy village near the border with France, but she knows there are enough, along with the kindergartens and the after-school gym club, the piano lessons and the dance class.

Dieter Gabler surveys a different landscape. A world away, at Forst on the border with Poland, closed textile plants stand near ruined bridges on the Neisse River. Kindergarten places, once guaranteed, are scarce. There are not many jobs, either, and they were once guaranteed, too.

For all that, five years after Germany's reunification on Oct. 3, 1990, the Kiefers and the Gablers boast the same badges of comfort — large televisions, multideck stereo systems, amply stuffed sofas — that have become

the emblems of German affluence. Between them, they mirror not only the hopes and hurts of unification, but also the troubling question that goes far beyond it: has Germany's affluence peaked?

Even with unity's high costs, Germans are still renowned as the Europeans with the strongest currency, the shortest work week, the longest vacations, the fastest cars and the broadest web of health care and social services.

But German officials and people like Mrs. Kiefer are increasingly beginning to question whether the once unquestioned rise to well-being has reached some kind of zenith.

Returning to a familiar theme in Berlin the other day, Chancellor Helmut Kohl said Germans needed a new sense of innovation, a return to the thrust of the 1950s and '60s that produced the vaunted economic miracle of postwar revival.

Gerhard Schroeder, the governor of Lower Saxony and

a former economics spokesman for the opposition Social Democrats, said that Germany's welfare state "has reached its peak" and that "the maintenance of the status quo will be a big challenge."

And, said Günter Albrecht, an economist at the Association of German Chambers of Industry and Commerce in Bonn, "the big question that affects us is whether we are committed enough to make the effort to preserve our well-being."

For her part, Mrs. Kiefer said: "We live very well. We aren't doing badly. But will it get better? I don't think so."

At issue are economic factors — global competition, high labor costs, crushing taxation and Europe's costliest welfare state — that have forced the Germans to consider changes once unthinkable.

"We are talking about things that would have been taboo just two or three years ago: cuts in social security,

See GERMANY, Page 6

NOT GUILTY: The Acquittal of O.J. Simpson

Trial on the Tube Fascinated, and Appalled, Most of the World

By Barry James

International Herald Tribune

PARIS — The trial of O.J. Simpson was an endless source of fascination in many countries with television air time to fill, as well as an occasion for moralizing about U.S. justice and the media.

"We have watched an astonishing display of irrelevance for months on end, invented defense strategies, personal jury dramas and a judge fighting back tears," wrote Brian Masters in an 8,000-word review of the case in the *Mail on Sunday* in Britain last weekend.

He said that the continuous television coverage "turned what used to be a solemn duty into a frivolous spectacle," and that the case had presented serious abuses of justice that would not be allowed by English law.

Many commentators suggested that the American media had got its priorities wrong by turning the trial of the former professional football

star turned movie actor into a show-business mega-production that, as *The Observer* of London remarked, "often bordered on the theatrical and farcical."

The *Jerusalem Post* lamented that even Middle East peace had to take a back seat to the Simpson trial. Although Cable News Network carried the White House signing of the Oslo 2 accord last week the anchor, Reid Collins, reassured viewers that "we're not missing any of the Simpson trial. It's on recess now in California."

"There it was, Middle East peace didn't just take a back seat to the closing arguments in the O.J. Simpson trial," said the Post. "It wasn't even in the same car."

In Europe and as far away as Australia, television stations went live as the clerk in Judge Lance A. Ito's courtroom read the verdict. But some countries, including Russia and China, have ignored the whole trial.

Richard Riordan, the mayor of

Los Angeles, cut short an Asia trade mission in Tokyo to fly home, saying that "the eyes of the world" are on his city.

In some places, the trial has reinforced stereotypes of the United States as a racist and violent society. In Barbados, the *Sunday Sun* began its account of the trial last weekend: "He was framed. Framed. Framed." Jamaican lawyers argued that the trial showed a black man could not get a fair trial in the United States and that therefore defendants should not be extradited there.

A Brazilian TV station said that what was really on trial in the Los Angeles courtroom was "racism in the United States."

The *Observer* commented on the closing remarks of the defense counsel, Johnnie L. Cochran Jr., which it called an open appeal "to the jury's black majority to acquit his African-American client in the cause of black civil rights." It noted the remarks of the Los Angeles police chief that Mr.

Cochran had gone too far, and would carry part of the blame if Los Angeles flared into race rioting.

The *Evening Standard* in London said in an editorial that the trial was "a sick, dire joke."

"It is at times like these we wonder if the United States is a class act anymore," it said.

In his careful analysis, Mr. Masters said that had the trial occurred in England, "many of the policemen, prosecutors and defense attorneys who planted prejudicial information before it began would be ripe for imprisonment for contempt of court or disbarment for professional misconduct. Not in the United States, where freedom of speech, in effect if not always in law, overrides the requirement for justice to be impartial."

In other words, Mr. Masters said, the sacrosanct nature of the First Amendment allowed "talk show cretins" and newspapers to spread "highly prejudicial misinformation" even before the court had heard the

evidence. "It created an opportunity, he said, "for ambitious rather than serious lawyers to preen themselves in public and become Hollywood stars." Such pretrial comment, or discussion of a trial by lawyers outside the courtroom is forbidden in England.

In Italy, the judge in the case against Giulio Andreotti, the seven-time prime minister accused of collaborating with the Mafia, looked at the coverage of the Simpson trial and decided not to allow television cameras into his courtroom. This meant that Italians could watch the Simpson coverage but not this fascinating glimpse into their own recent history.

Others argued, however, that for all its faults and excesses, the Simpson trial showed that a free system of information was best. In Puerto Rico, journalists argued against courtroom secrecy in the trial of a corrupt politician. The judge listened to their arguments to "lift the curtain of secrecy," and finally allowed in the cameras.

In TV Lights' Glare, All of America's Sins

Seeing the Way Things Work Is Shock to a Nation's Dream

By Richard Reeves

International Herald Tribune

LOS ANGELES — Once again, the United States must pay for its original sin: All men were not created equal in the land of the free. Whether an American believes that a black man named O.J. Simpson got away with murder seems to de-

COMMENTARY

pend pretty much on the race of that American — as ever.

In 1831, at a dinner in Boston, Alexis de Tocqueville, a young French magistrate, was seated next to a former president, John Quincy Adams, and asked the old man: "Do you look on slavery as a great plague for the United States?"

"Yes, certainly," Adams answered. "That is the root of almost all the troubles of the present and the fears for the future."

And so it was. And is.

For a year and more, much of the nation was mesmerized by the televised spectacle of a popular American hero, an athlete and "personality" of surpassing grace, who had transcended race in his appeal as a salesman and actor, being tried on charges that he murdered his former wife and a young man who happened to be in the wrong place at the wrong time.

And if you could not avoid endless conversation about the seemingly endless television proceedings — and it was impossible to avoid — separate racial conclusions (or consensus) were clear and harsh. White Americans believed that a black jury would not convict the black hero no matter what the evidence. Black Americans believed that Mr. Simpson was framed by white policemen and a corrupt criminal justice system, or that whatever he did on one frightening night, it was as nothing when compared with the centuries of injustice.

These conversations were not whispered. There must be few Americans who did not hear the crude joke after the actor Christopher Reeve was paralyzed in an accident at a horse show. "What is the difference between Christopher Reeve and O.J.?"

Judge Lance A. Ito guaranteed a new American tragedy when he decided to allow television.

TRAVEL UPDATE

Air France Cancels Sydney Flight

SYDNEY (AFP) — Air France canceled flights to and from Sydney for Wednesday in reaction to bans on refueling imposed by the Transport Workers Union, the airline said Tuesday.

The union announced a 24-hour ban, starting at 6 A.M. Tuesday, as a protest against the second French nuclear test, conducted at Fangataufa atoll in the South Pacific on Monday.

An Air France spokeswoman said a flight into Sydney from Paris via Singapore, due to arrive at 6 A.M. Wednesday, about the same time as the ban was due to end, had been canceled. "It was too close for comfort," she said. A return service to Noumea from Sydney had also been canceled. The airline is making alternative arrangements for passengers, and Air France would still operate its service from Singapore to Paris.

Italians Add Cruise Stop in Cuba

GENOA (AP) — An Italian cruise line has added Cuba to its itinerary under a tourism-building pact with the government of Fidel Castro, a company spokeswoman said Monday.

The agreement by Costa Cruises is part of a wider deal to help renovate Cuba's ports. Mr. Castro recently has placed greater emphasis on reviving Cuba's tourist trade.

Costa is the first European cruise line to have access to Havana and other Cuban harbors, said a spokeswoman. The first journey the Santa Domingo-Cuba-Jamaica is scheduled to depart Nov. 28.

**A Unique 245 Room
Boutique-Style Hotel
in Orchard Road**

For Reservations

Fax : (65) 7323866 or call STEGNERBERGER RESERVATION SERVICE

Outside the Court,

It's Mostly Cheers

But Outcome Disgusts Some

Compiled by Our Staff From Dispatches

LOS ANGELES — The acquittal of O.J. Simpson brought cheers and clenched fists in the air from the crowd outside the courthouse and in the South Central apartment building where one juror lives.

In Nicole Brown Simpson's trendy Brentwood neighborhood, there were signs of disgust. "You make a lot of money and I guess you can commit murder," Elizabeth Condelli, who said she knew Mrs. Simpson through their children's school, said at Starbucks coffee shop.

What started out as a media circus became an extravaganza unprecedented in legal annals. More than 1,000 reporters and curiosity seekers gathered outside the court and the verdict was carried live on all major television networks.

Downtown, the reaction was elation. Most of the crowd of more than 1,000 people press-

ing against police barricades outside the Criminal Court Building cheered wildly as not guilty verdicts were played on portable radios.

The crowd silently listened as the verdicts announcement approached. Some chanted, "Justice means acquittal, acquittal means justice" followed by shouts of "Free O.J.!"

When the verdict came at 10:10 A.M., there was uproarious cheering that continued for several minutes. Fists punched skyward in solidarity and others hugged in joy.

"I never had any doubt of his innocence," said Arthur Patrick. "I did have doubts about the system. I'm sure there is a criminal justice system for blacks in this country. And that's the message we get today."

At the South Central apartment building where one of the jurors lives, a huge cheer went out that could be heard through open apartment windows as the verdict was read. Security officials blocked all public access to her apartment building, allowing only visitors inside.

Helicopters buzzed over the courthouse, police squad cars cruised downtown streets and barricades blocked traffic in front of the Criminal Courts Building.

Vendors sold such Simpson-themed wares as T-shirts, watches and buttons.

One man hoisted a sign with his opinion on the trial: "Stop LAPD" — the Los Angeles Police Department.

Not everyone cheered the judgment that capped a nearly nine-month trial that became a national obsession here and made headlines around the world.

"I am really surprised. I thought he was guilty," said Rosalie Garcia, a Los Angeles resident in her 20s.

Clayton Draper, 47, also thought Mr. Simpson was guilty, but he was happy enough with the outcome engineered by the former football great's high-powered battery of defense attorneys.

He would not comment further.

The other jurors left the courtroom refusing to talk to lawyers or reporters.

Superior Court Judge Lance A. Ito had set aside time in his courtroom for jurors to hold a news conference, but they decided against such a venue.



Christopher Darden, left, Marcia Clark and William Hodgman, prosecution lawyers, talking after the verdict Tuesday.

Juror Asserts She Is Certain Verdict 'Right'

The Associated Press

LOS ANGELES — One of the women on the O.J. Simpson jury said Tuesday that she was certain the panel was right to acquit him of killing his former wife and a friend.

"I feel free," said Brenda Moran, released after 26 days of sequestration.

"I think we did the right thing — in fact, I know we did," she said to reporters as she arrived at her mother's home in Compton.

Asked why jurors reached the verdict so quickly, she said: "We were there for nine months. We didn't need another nine months to decide."

She would not comment further.

The other jurors left the courtroom refusing to talk to lawyers or reporters.

Superior Court Judge Lance A. Ito had set aside time in his courtroom for jurors to hold a news conference, but they decided against such a venue.

VERDICT: A Swift Conclusion

Continued from Page 1

pletely free man, free to pursue his career if he chooses.

Despite the constitutional prohibition on another criminal trial, both the Brown and Goldman families have filed civil suits against Mr. Simpson for the wrongful deaths of their daughter and son. These suits can continue.

The Simpson case had sparked fears of racial tension, and Los Angeles police went on a full-scale tactical alert early Tuesday. Police stressed that the alert, which put hundreds of extra police on the streets, was merely a precaution.

Mr. Cochran rejected the notion that the verdict turned on racial appeals made in closing arguments, saying that the acquittal was based on flaws in the prosecution's evidence.

"The time line was the key," said one defense lawyer, Barry Scheck. "It really was impossible for Mr. Simpson to have made those thumps on the wall." The defense repeatedly succeeded in punching holes in the prosecution's time-line, he said.

The sole black male juror on the panel, a 43-year-old phone company salesman, raised his fist toward the defense table, and a 38-year-old female health specialist wept as the jurors filed out of the room, courtroom observers reported.

The jury contained nine blacks, two whites and one Hispanic. The jurors had been sequestered since mid-January, and they indicated unanimously before the verdict was read that they did not want to speak to reporters or any of the trial attorneys afterward.

Mr. Simpson pleaded not guilty at his first arraignment more than a year ago and hired a multimillion-dollar "Dream Team" of more than a dozen expert trial attorneys, including some of the biggest names in the profession, to argue from the start that he was wrongly accused.

The defense charged that racist police officers had conspired to plant evidence to frame the black celebrity, and that prosecutors eager for a big conviction had deliberately overlooked the plot.

Prosecutors charged from the beginning that Mr. Simpson had slain his former wife in a last violent spasm of rage culminating a 17-year relationship characterized by passion and abuse. Prosecutors contended that Mr. Simpson's genial and affable public persona masked a dark, possessive, obsessive side that had propelled him to beat his wife during their marriage, stalk her after they separated and kill her in a final effort to control her after he left her for good.

The prosecutors lacked an eyewitness or murder weapon, but they spent months laboring to construct a mountain of circumstantial evidence to show that Mr. Simpson had the opportunity and motive to commit the murders and had left blood, hair, fibers, a hat and gloves that pointed to him and to no one else as the killer.

Ms. Clark and Mr. Darden, the main prosecutors, implored the jurors to reject the allegation of a conspiracy and see the evidence as pieces of a puzzle that told a chilling story.

In the end, though, the jury could not find Mr. Simpson guilty "beyond a reasonable doubt."

Mr. Simpson pleaded not guilty at his first arraignment more than a year ago and hired a multimillion-dollar "Dream Team" of more than a dozen expert trial attorneys, including some of the biggest names in the profession, to argue from the start that he was wrongly accused.

The 12 Jurors

— By Racial Composition

Agence France-Presse

Following is a profile of the 12-member jury, composed of nine blacks, two whites and one Hispanic, that reached the not-guilty verdict in the double-murder trial of O.J. Simpson:

1. Black woman, 50, divorced, county collections vendor, two years of college.

2. Black woman, 24, single, city hospital worker, one year of college.

3. White woman, 60, divorced, retired utility company clerk, one year of college.

4. Hispanic man, 32, married, soft drink truck driver, high school graduate.

5. Black woman, 37, married, postal worker, high school graduate.

6. Black man, 43, married, phone company salesman, high school graduate.

7. Black woman, 44, single, computer technician, high school graduate.

8. Black woman, 38, single, county health specialist, college graduate.

9. Black woman, 52, divorced, postal worker, high school graduate.

10. Black woman, 28, married, postal worker, high school graduate.

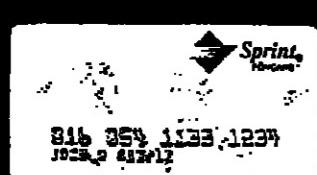
11. White woman, 22, single, insurance claims adjuster, college graduate.

12. Black woman, 71, married, retired cleaner, completed 10th grade.

A SIMPLE

CURE FOR THE FEAR OF

FOREIGN PHONES.



816 351 1133, 1234
JCS 4, 61212
TOLL FREE NUMBERS USA AND CANADA: 1-800-426-3135

Global Calling +91 numbers & PTT Global Calling rates

THE AMERICAS

Pope, on 4th Visit To U.S., Is Ready To Scold a Little

By Daniel Williams
Washington Post Service

VATICAN CITY — Pope John Paul II, fitter than he has been for months, will arrive Wednesday on his fourth papal visit to the United States prepared to take on a country he regards both as a positive moral force and a sometimes moral rival to Vatican teachings.

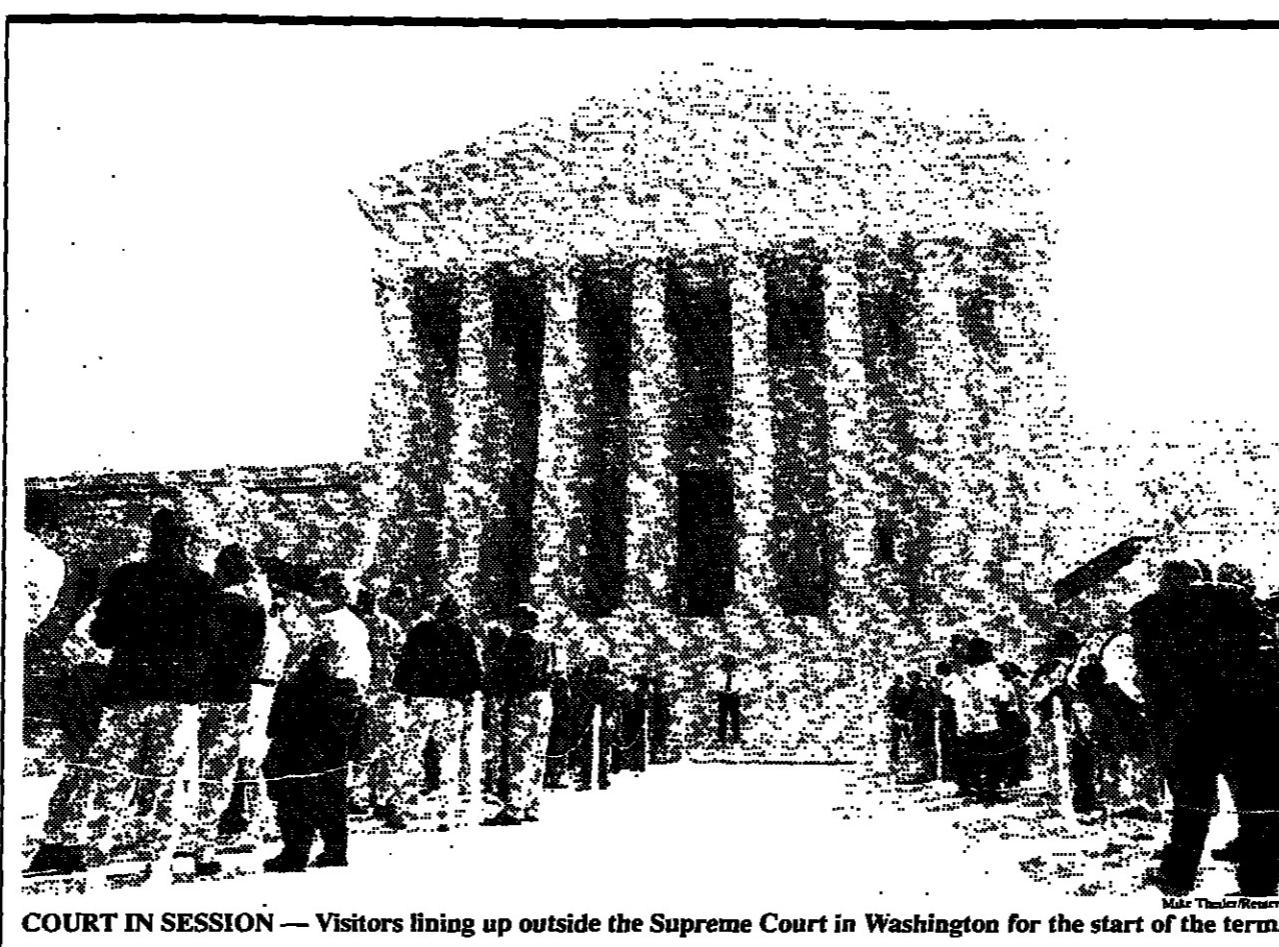
During the Cold War, in the intense media coverage of this most visible of all pontiffs, less attention was paid to his concerns about the West in general and the United States in particular: moral laxity, economic injustice, cultural imperialism. But with the Cold War ended, issues that seemed perpet-

ually in the background have moved to the forefront. "The concerns about the West were always there, but always obscured during the Cold War," said Joaquin Navarro-Valls, the chief Vatican spokesman. "And now, maybe the Pope has picked up the pace a little bit on these issues."

The Pope has grown to admire Americans for their generosity, their dynamism and the role civic rights played in the building of the nation, Vatican officials say. But they add, he is troubled by several positions held by many Americans on issues ranging from sexual mores to economic equality.

And while such conflicts also exist with wealthy European countries, the pontiff regards the United States, with its worldwide influence, as far more able to spread its ways than other Western powers, and to some extent, than even the Roman Catholic Church.

He will mix encouragement



COURT IN SESSION — Visitors lining up outside the Supreme Court in Washington for the start of the term.

Kasparov Whips Anand to Take A 2-Game Lead

New York Times Service

NEW YORK — The down-fall of a contender for the world chess championship goes like this. First come second-rate moves that create problems. Then agonizing over the problems produces tension, which produces errors. Then the opponent lights up the board with explosive power.

This was Viswanathan Anand's misfortune on Monday in Game 13 of his match against the champion, Gary Kasparov.

With seven games to go, Mr. Kasparov leads 7½ to 5½. The victor wins \$1 million.

GAME 13

SICILIAN DEFENSE		White	Black	White	Black
		Kasp.	Anand	Kasp.	Anand
1. e4	c5	14. Bc4	Qb6		
2. Nf3	d5	15. Bg7	Kxg7		
3. d4	cd	16. b3	Bb6		
4. Nxd5	Nf6	17. Nd5	Bd5		
5. Nc3	g6	18. ad	ea		
6. Bf3	Bg7	19. de	d5		
7. Qd2	Nc6	20. Be2	c4		
8. Be4	0-0	21. c3	Rfb8		
9. Bc4	Bd7	22. Rfe1	Rfe8		
10. Nf3	h5	23. Kf1	Rfe8		
11. Bb3	Rc8	24. Bc3	dc		
12. Nxe5	bc	25. Bxc4	Ne4		
13. Bh6	c5	26. Resigns			

By Thomas W. Lippman
Washington Post Service

WASHINGTON — President Fidel Castro of Cuba plans to make his first visit to the United States in 16 years later this month, going to New York to attend the 50th anniversary festivities at the United Nations and address the General Assembly, according to U.S. and Cuban officials.

Vatican officials, worried

that the Pope could be per-

ceived to be taking sides in

domestic politics, are quick

to point out that his positions as a

whole are sure to make con-

servatives at least as uneasy as

liberals. They point out that he

opposes cuts in social spending,

is critical of the poverty in free-

market societies and opposes

the death penalty.

"The Pope is not eager to

enter a domestic political dis-

cussion," Mr. Navarro said

gingerly. "But he is willing to

supply ethical reflections to

guide political thinking."

is prepared to grant him a visa despite objections from anti-Castro members of Congress, including the Senate majority leader, Bob Dole, Republican of Kansas. They fear that Mr. Castro will use the occasion to lobby for an end to the U.S. economic embargo on Cuba and to seek foreign investment.

Administration officials said

that issuing Mr. Castro a visa

did not represent any change in

U.S. policy toward the Cuban government. As the United Nations' host country, the United States is required to permit entry to virtually any representative of a member government.

As with any visitor from a hostile country, officials said, Mr. Castro can expect to be confined to a 25-mile (40-kilometer) radius of Manhattan.

The last time Mr. Castro visited, in 1979, he mostly stayed inside Cuba's UN mission, apparently because of security concerns.

Administration officials said there was no legal basis for denying Mr. Castro permission to enter the United States.

More than two dozen mem-

bers of the House asked the

administration to deny a visa on

the grounds that Cuba is on the

State Department's list of five

countries that sponsor interna-

tional terrorism. But adminis-

tration officials said there was no legal basis for denying Mr. Castro permission to enter the United States.

As with any visitor from a

hostile country, officials said,

Mr. Castro can expect to be

confined to a 25-mile (40-kilometer)

radius of Manhattan.

The Democratic members of the committee see no reason to participate further in this charade, which will rob seniors of their health care," Mr. Dingell said. Democrats are attempting to force delays in hopes of turning public opinion against the Republican proposal.

POLITICAL NOTES

Left and Right Join to Block Bill

WASHINGTON — Broad new counterterrorism legislation that was considered certain to become law earlier this year has been derailed by an unusual coalition of conservative Republicans and civil-libertarian Democrats in the House of Representatives.

In June, less than two months after the bombing of the federal Building in Oklahoma City, the legislation sailed through the full Senate and the House Judiciary Committee with little opposition. It had been pushed by President Bill Clinton and endorsed by Republican and Democratic leaders in both chambers.

But since then the legislation has stalled, a casualty of a political mood swing in Congress. Hearings in August and September about the deadly standoffs by federal agents with the Branch Davidian cult near Waco, Texas, and a white separatist, Randall C. Weaver, at Ruby Ridge in Idaho, have nurtured a new skepticism, particularly among conservative Republicans and newer lawmakers who are reluctant to hand over broad new powers to law-enforcement officials, as the legislation would.

"Since the Oklahoma City bombing, we've had hearings on Waco and Ruby Ridge which demonstrate the ability of the federal government to overreach," said Laura Murphy, director of the Washington office of the American Civil Liberties Union. "The thinking, which has crossed party lines, is that if law enforcement can do these things without a counter-terrorist bill, imagine what would happen with one."

Republican aides in the House said the legislation had not been introduced on the floor in recent weeks because their private counts showed it would be defeated. The only hope now for passage would be for a sharply scaled-back version.

A senior administration official who has worked on the legislation said: "The politics of crime and terrorism are a little weird right now. You now have the far left and the far right meeting around the back of the middle."

Democrats Quit Medicare Panel

WASHINGTON — House Democrats, charging that the Republican Medicare plan would pile unexpected costs on beneficiaries, stormed out of a Commerce Committee meeting after the committee chairman, Thomas J. Bliley Jr., Republican of Virginia, repeatedly gavels down their demands for a week of congressional hearings on the proposal.

Representative John D. Dingell, Democrat of Michigan, who organized the walkout, accused Mr. Bliley of trying to ram through the bill before committee members had a chance to review its details. Republican leaders released the bill Friday and scheduled action for next week by the Commerce and Ways and Means committees before bringing the bill to the floor.

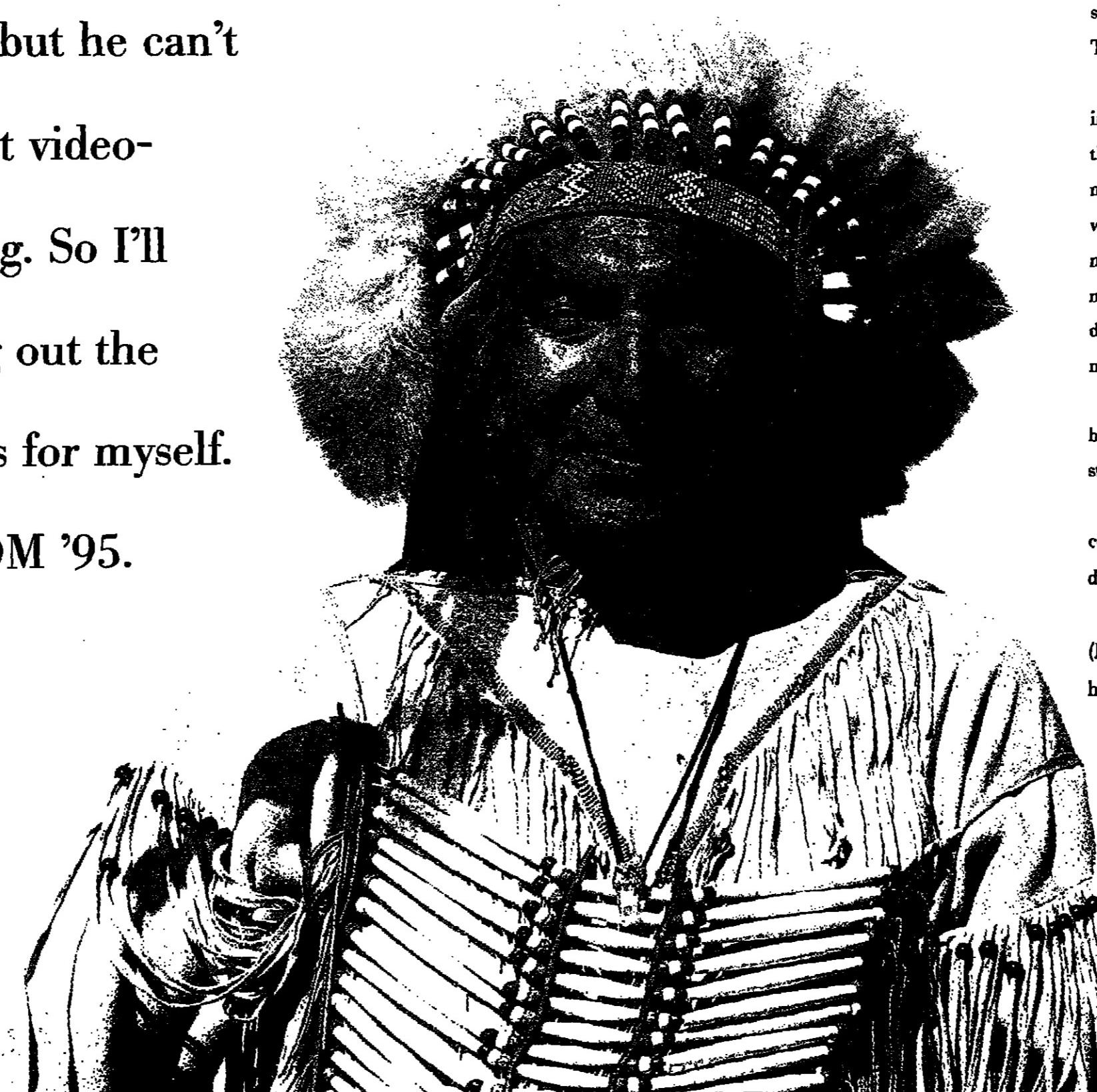
"The Democratic members of the committee see no reason to participate further in this charade, which will rob seniors of their health care," Mr. Dingell said. Democrats are attempting to force delays in hopes of turning public opinion against the Republican proposal.

Quote /Unquote

President Clinton, calling domestic violence an "American issue," not just a women's issue, and directing federal agencies to run programs throughout the federal government to raise awareness of the problem: "This is a children's problem and it's a man's problem. The days of men using physical violence to control the lives of their wives, their girlfriends, their children, are over."

The Great Spirit guides
my people, but he can't
advise about video-
conferencing. So I'll
be checking out the
new systems for myself.

At TELECOM '95.



This October, in Geneva, IBM will be putting on some spectacular presentations at TELECOM '95.

They will take the form of six incredible displays, bringing together live presentations and dramatic technology demonstrations with our experts as the performers. They'll cover topics from marketing on the net to downloading video from the top of a mountain.

And, equally importantly, you'll be able to discuss them with our staff at our exhibition stand.

Just because we're into video-conferencing, it doesn't mean we don't want to meet you in the flesh.

Come and see us at Palexpo (Hall 4) or check our Web page on <http://www.ibm.com/telecom95/>

IBM

Solutions for a small planet

EUROPE

Juppé Defends Police in Slaying Of Bomb Suspect

Reuters

PARIS — Prime Minister Alain Juppé dismissed on Tuesday accusations that French gendarmes had acted improperly in killing a bombing suspect, insisting that they had fired in legitimate self-defense.

Questions arose from a videotape of Khaled Kelkal's death in hail of bullets near Lyon last Friday, after a three-day manhunt. The unaired film set off a dispute about whether the police shot him in self-defense or in cold blood.

Already wounded and lying on the ground, the 24-year-old Algerian was fired upon again, but only after he aimed a pistol at a gendarme.

"I will not leave our gendarmes defenseless when someone fires on them," Mr. Juppé told the National Assembly at question time.

"Certainly we would have liked to capture Kelkal alive. It would have helped our investigation. But he opened fire, and he has paid the price," he said.

Mr. Kelkal was suspected of involvement in a wave of bomb attacks in France since July that have killed 7 people and wounded more than 100.

"Let us beware of this strange reversal of values that has led some people to display more concern for those who break the law than for those who defend it, for suspected criminals than for their intended victims," Mr. Juppé declared to cheers.

He said an investigation had been opened into Mr. Kelkal's death and that it would be improper for him to comment.

A suspected accomplice, Karim Koussa, wounded in a gunbattle with police last Wednesday, when Mr. Kelkal escaped arrest, was questioned by a judge in a Lyon prison hospital Tuesday and formally placed under investigation.

A Frenchman of Algerian

origin, Mr. Koussa faces charges of attempted murder, terrorist conspiracy and firearms offenses.

Investigators have established that a shotgun found in his possession was used to kill the exiled Algerian fundamentalist leader Sheikh Abdelbaki Sahraoui in Paris last July, justice sources said.

In the film showing Mr. Kelkal's death, an unidentified voice recorded by the M6 private television channel was heard shouting off-camera, "Finish him off, finish him off," raising doubts about official accounts that the fugitive was killed only after firing on gendarmes.

However the film also shows that Mr. Kelkal, wounded in an initial exchange of fire and lying on the ground, raised his gun again before the fatal shots were fired at him.

French officials said even the second round of fire was not intended to kill Mr. Kelkal. It hit his hand holding the gun and ricocheted to his head, they said.

The Lyon suburbs where Mr. Kelkal lived have been rocked by nightly violence since his death. Gangs of youths have set fire to buildings and cars, and rocks thrown at police.

"Young people of immigrant origin feel that Kelkal was cut down like a dog, that they are singled out, that they are all accomplices," a Socialist opposition member of Parliament, Julien Dray, said on the French radio O'FM.

Police in Paris signaled that they were still pursuing the bombing case, with raids early Tuesday on a dozen sites of suspected Muslim extremist activity in the Paris area.

They said that fewer than 10 people were arrested in the raids, linked to the case of Djamel Tehari, a suspected Islamic guerrilla in custody.



Tony Blair dancing with his wife, Cherie, at a Labor Party social function.

Labor Bets on High-Tech Leader Maps Out New Age for Britain

By John Darton
New York Times Service

BRIGHTON, England — Tony Blair, the Labor Party leader, turned a speech to the party faithful Tuesday into a canvas for a glowing portrait of a new-age Britain just around the corner — spirited, compassionate, high-tech and rejuvenated. Provided, that is, that Labor is voted into power.

In his keynote address to the annual party conference, the 41-year-old leader crossed a Rubicon: from remaking the party, which has been the main business since he assumed the leadership 15 months ago, to remaking the country, which he said is now his goal.

"I didn't come into politics to change the Labor Party," he proclaimed. "I came into politics to change my country."

And a moment later, he added: "I do not want a one-term Labor government that dazes for a moment and ends in disillusion. I want a Labor government that governs for a generation and changes Britain for good."

The main thrust of his hourlong speech, which was punctuated by applause from the 1,300 delegates 69 times, was that he wanted to create a "youthful" country, in touch with the new information technology, and that the Conservatives were too tired and discredited to carry on.

He spoke of a Britain in which every school, hospital and library is wired onto the information highway and every child is provided with a laptop computer.

The vision he painted was calculated to capture the political middle ground that has eluded Labor for decades. It's the next step now that it has consolidated its authority and moved the Labor Party away from its ironclad ties to the trade unions and its Socialist orthodoxy.

In April, Mr. Blair won a knockdown battle to wean the party from its 77-year commitment to "common ownership of the means of production, distribution and exchange."

Partly as a result of his leadership and partly out of simple frustration and disillusionment with the Conservatives who have ruled for 16 years, first under Margaret Thatcher and now under John Major, Labor is widely seen as the

coming party. Its membership has grown by 100,000, drawing neck and neck with the Tories, and it is ahead in virtually all public opinion polls that run hypothetical political races. An election must be held by the spring of 1997 at the latest.

Mr. Blair spiced the vision of a country more prosperous and open to change with specific proposals, a mix of old and new.

Among them were reversing the sale of the national railroad to private companies, a local parliament for Scotland, the end to hereditary peers sitting in the House of Lords, placing the new national lottery in the hands of a nonprofit agency, and a stronger commitment to integrate Britain into Europe.

He also promised to shift education funds to reduce class size to below 30 for 5-, 6- and 7-year olds, to cut administrative costs in health care to provide more beds and better care, to use windfall profits in private utilities to train the unemployed, and to provide "thousands more police officers on the beat."

There was no mention of a tax increase to provide money for any of this.

The party has gone to great lengths to try to shed a "tax and spend" image, which many believe caused it to lose the 1992 general election.

The Labor shadow chancellor, Gordon Brown, said Monday that he favored cutting taxes on fueling fuel — an issue that has bedeviled the Tories — to 5 percent from 8 percent.

Labor expects Mr. Major's government to court votes in coming budgets over the next two years with hefty tax cuts. How to respond could pose a major dilemma, since voters might be turned off if Labor indicates it would rescind any such decreases to pursue social welfare policies.

In his speech, Mr. Blair acknowledged that his attempts to push through changes in the party's constitution and procedures, which have alienated the left wing, were traumatic for some.

Recalling a derogatory nickname that poked fun at his youthful inexperience, he said: "Last year I was Bambi, this year Stalin. From Disneyland to dictatorship in twelve short months."

Germans Celebrate, And Decry, Unification

The Associated Press

BONN — Leftists protested and skirmished with police in Düsseldorf on Tuesday as the reunited Germany observed its fifth birthday by toasting its achievements but lamenting that in many ways the country is still not whole.

Speeches at Unity Day observances and a television address by Chancellor Helmut Kohl made it clear: West Germany and Communist East Germany drifted so far apart during four decades of forced separation that they will not be truly united for many years to come.

"It is true that not all wishes have been fulfilled in the past five years," said Mr. Kohl, who as the West German chancellor steered the two Germanys to reunification on Oct. 3, 1990.

Security officials had feared that leftist extremists would try to disrupt the government's main Unity Day celebration in the central German city of Düsseldorf, and they were right.

Before dawn, leftist militants torched a car, hurled stones at the police and smashed the windows of a Düsseldorf bank and department store. The police arrested six people and confiscated various weapons.

About 3,000 protesters, many of them masked, marched through Düsseldorf Tuesday afternoon, flanked by riot police. The demonstrators carried banners reading "Five Years of Unity — There's Nothing To Celebrate."

At a rally, protesters charged that reunited Germany was heading toward militarism, pointing out the government's decision to let German soldiers take part in UN and NATO combat missions abroad.

Unity Day celebrations are sponsored each Oct. 3 by whichever of Germany's 16 states holds the presidency in the upper house of Parliament. North Rhine-Westphalia, whose capital is Düsseldorf, now has that role.

Inside a concert hall, Mr. Kohl, President Roman Herzog and other guests heard speeches and music, including a Mozart piece sung by the American singer Barbara Hendricks.

Surrounding the hall were some of the 3,000 police officers deployed in Düsseldorf for Unity Day to ward off violence.

Johannes Rau, the keynote speaker at the ceremony and premier of North Rhine-Westphalia, lamented that psychological and material barriers among Germans remain after the fall of the Berlin Wall.

"The inner divisions have disappeared, but reservations and prejudices have made some invisible gaps wider and deeper than before," Mr. Rau said in his address. "Much remains to be done, above all in the heads and hearts of Germans."

Germans from the two parts of the country tend to be suspicious of one another, with many from the West bitter that costs have gone up to pay for unity and many East Germans seeing their lives dominated by the more affluent West.

Mr. Rau said completing unity is Germany's "task of the century."

Manfred Stolpe, governor of Eastern Germany's Brandenburg state, said he gets the impression that westerners frequently overlook the abilities and knowledge of those from the East just because their lives were dictated by Communists.

BRIEFLY EUROPE

EU Will Study Mobile Phones

BRUSSELS — The European Commission said Tuesday that it was beginning a study into the health effects of radiation from mobile phones, which some people fear could cause cancer.

A spokesman, Jochen Kubosch, said no proof existed that mobile phones were dangerous, but he said that more data were needed before a final conclusion could be reached.

A statement from the commission said that "the evidence regarding health and safety risks arising from the use of mobile phones is tenuous." But the commission nonetheless asked a group of eight scientists to prepare a blueprint for research program that could be started by the middle of next year.

(Reuters)

Clues to Go to Meeting After All

BRUSSELS — NATO's secretary-general, Willy Claes, did an abrupt U-turn on Tuesday, deciding after meeting irate U.S. congressmen in Washington to attend the autumn meeting of the alliance's parliamentary arm.

His initial decision not to go to the meeting in Turin on Monday of the North Atlantic Assembly — the interparliamentary forum of NATO's 16 members — had triggered sharp rebukes from the assembly's president and the congressmen.

"We just had a call from NATO," an assembly official said. "Claes has changed his mind. It was apparently immediately after meeting the congressmen."

(Reuters)

Cuba Welcomes EU's Overture

HAVANA — Cuba says it would welcome a trade and economic agreement with the European Union but would not accept any preconditions to get it. A spokesman for the Cuban Foreign Ministry, Rafael Dausa, said an accord reached Monday by the EU foreign ministers on starting talks with Havana was a good sign.

"Obviously, the signing of a framework accord with the European Union would be of interest to us," he said. "It would be very positive."

In a statement, the EU ministers had underlined the need to encourage a peaceful transition to democracy in Cuba and reminded Havana of the importance the EU puts on human rights. Mr. Dausa rejected that position.

(Reuters)

2 Ex-French Aides Face Probe

PARIS — Two former senior French officials convicted for fraud in a decade-old scandal over AIDS-tainted blood products are now to be investigated on poisoning charges, judicial sources said Tuesday.

Robert Netter, former head of the national health laboratory, and Jacques Roux, former director of public health, were notified by letter that they were under investigation as suspected accomplices in poisoning, the sources said.

More than 1,250 hemophiliacs were infected by the tainted products in the mid-1980s. More than 400 have since died.

In a first round of legal proceedings in 1993, Mr. Netter and Mr. Roux were sentenced to suspended jail sentences on lesser fraud charges.

Calendar

European Union events scheduled for Wednesday:

BRUSSELS: Weekly meeting of the European Commission. On the agenda: regulation of insurance companies in the internal market and the European market in fruits and vegetables.

BRUSSELS: The European association of banana producers and representatives of Latin American producers hold separate press conferences on European economic policy regarding bananas.

Sources: Agence Europe, AFP.

Toll in Turkish Quake At 76 as Hunt Goes On

Compiled by Our Staff From Dispatches

DINAR, Turkey — Rescue workers have recovered more bodies from the wreckage of an earthquake in this Turkish market town, raising the death toll to 76, officials said Tuesday.

Government officials told the Anatolian News Agency that they dug out 14 more bodies late Monday.

Officials have predicted a final death toll of about 100 from Sunday's quake, and at least 242 are said to be injured.

Hundreds of residents, still in shock, spent a cold Monday night in tents or stables after thousands of homes were damaged.

(Reuters, AFP)

Comoros Coup Leaders Condemned by Paris

Reuters

PARIS — France rejected Tuesday the appointment of two civilian joint presidents by coup leaders in the Comoros islands.

"The rebels' attempt to set up a new so-called civilian authority is completely illegal," a statement from the French Foreign

Ministry said.

The ministry referred to the appointment by Captain Comto Ayouta's Transitional Military Committee of Mohammed Taki Abdoul Karim and Said Ali Kemal as joint presidents.

France believes Captain Ayouta is a stooge of the mercenary leader Bob Denard.

INTERNATIONAL

Holy Day Imposes A Recess On Israel

REUTERS
JERUSALEM — Israel shut down Tuesday and sealed Palestinians inside the West Bank and Gaza for Yom Kippur, the holiest day of the Jewish year.

Sirens wailed at sunset to mark the start of the Day of Atonement, when Jews ask God's forgiveness by fasting and engaging in almost nonstop prayer for 25 hours.

Radio and television went off the air, traffic stopped, streets emptied and businesses closed.

Border crossings were closed, including the Rafah terminal between Egypt and the Gaza Strip, which has been under the rule of Yasser Arafat's Palestine Liberation Organization for more than a year.

The PLO and Israel signed an agreement last week to extend self-rule on the West Bank, but Israel retains control of the land, sea and air around the Palestinian autonomous areas.

Israel closed its border with Gaza last month following intelligence reports of possible attacks by Islamic militants opposed to the self-rule accord. The closure was extended to the West Bank this week.

"These days we are trying to establish peace," Prime Minister Yitzhak Rabin said in the annual remembrance message for the dead of the 1973 Arab-Israeli war, when Egypt and Syria attacked Israel on Yom Kippur in a surprise strike that still haunts military and intelligence chiefs.

"We are trying to do what is required so that these words won't remain hollow and empty — that the last who fell will truly be the last to fall, that in the years to come the number to attend memorial ceremonies will not increase," he said.

"I believe that even if on the path to peace there are differences between us, the desire for peace unites us all."

That unity will be tested once political life resumes on Thursday and Mr. Rabin asks Parliament to approve the agreement he signed with Mr. Arafat at the White House.

Rightists and Jewish settlers opposed to the accord plan demonstrations in Jerusalem to coincide with the vote.

If three dissident members of Mr. Rabin's Labor-led coalition carry out a threat to vote against the government, Mr. Rabin could find the vote split 60-60 in the 120-seat house.

■ **Scuffle at Hebron School**

Jewish settlers protesting the flying of a Palestinian flag at a girls' school in Hebron scuffled Tuesday with Palestinian students and teachers, The Associated Press reported.

A few dozen settlers tried to remove the flag from the Karta school, across the street from the Jewish Beit Hadassah compound. When fighting broke out, Israeli soldiers forced the settlers to leave. One Palestinian was arrested.

BALKANS: President Is Hurt

Continued on Page 1
known. No one immediately claimed responsibility.

Borders were sealed for hours after the explosion, but were later reopened, the police said.

Macedonia gained independence in 1991 in the collapse of the old Yugoslav federation and had struggled for stability.

The republic has a large ethnic Albanian minority and is a historic point of contention for neighboring Serbia, Bulgaria, Greece and Albania.

About 500 U.S. soldiers are stationed on Macedonia's northern border with Serbia in the United Nations' first precautionary peacekeeping mission. War has not spread south from Bosnia.

Mr. Gligorov was a leading Communist official in former Yugoslavia and was elected president of Macedonia in 1992.

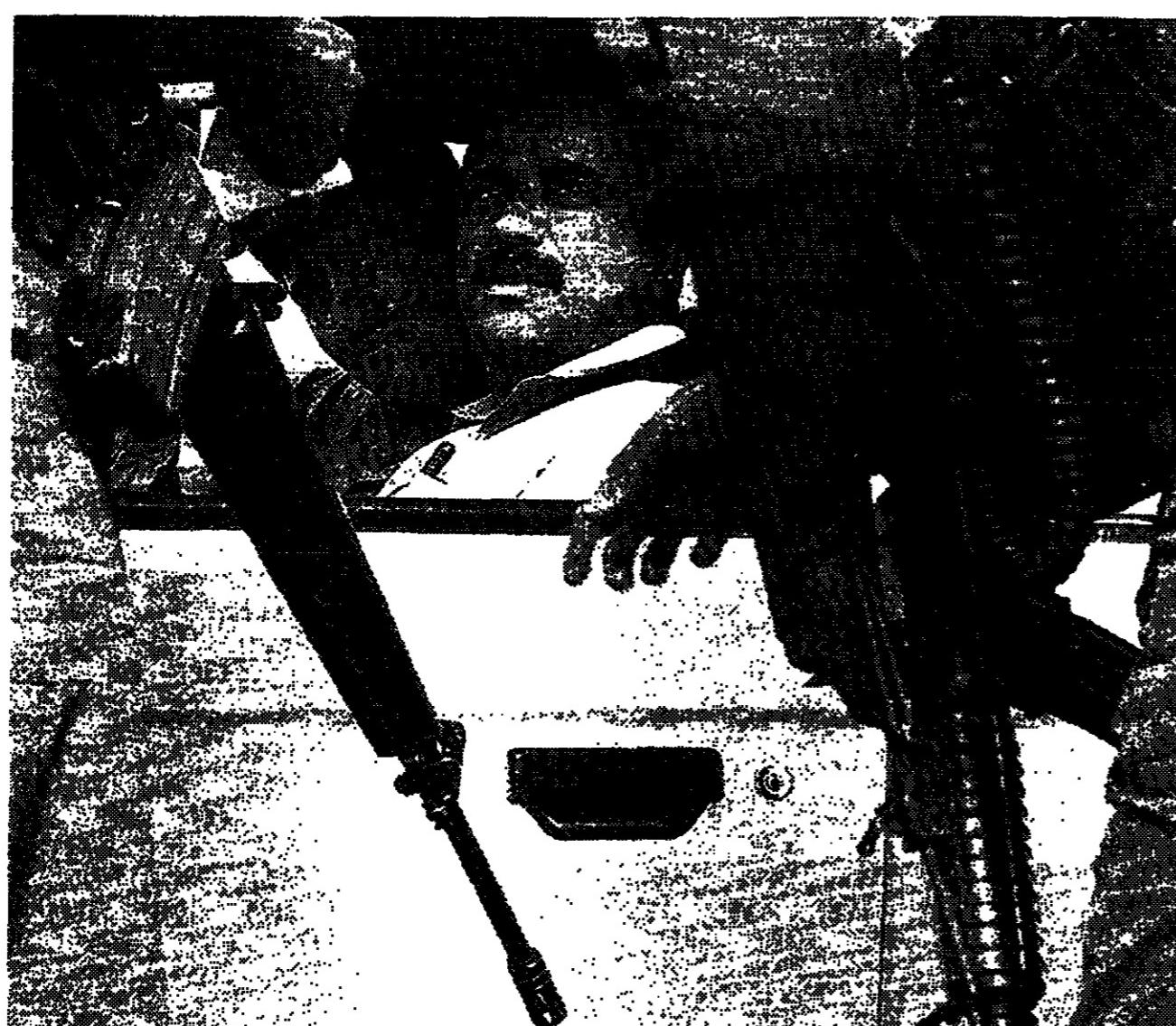
He returned Monday from talks with President Slobodan Milosevic of Serbia, which has not recognized its southern neighbor.

GERMANY: In East and West, People Are Asking Whether the Good Times Have Peaked

Continued on Page 1
working hours, sick pay." Mr. Albrecht said.

Indeed, he argued, Germany's unification may have quickened the debate over how long the country can continue to produce what it produces at the cost it pays to do so.

"Unification brought the discussion much earlier because the demands from the east came up much more quickly than productivity," he said. The tax burden on westerners to finance



Border guards checking a Palestinian car crossing into Jerusalem as Israel sealed off the West Bank for Yom Kippur.

Bosnians Violate Truce Zone At Sarajevo to Shell the Serbs

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — The Bosnian government fired scores of rounds from four heavy weapons inside the 20-kilometer exclusion zone around Sarajevo on Tuesday, targeting Serbian positions and drawing a rebuke from the United Nations.

The Bosnian Serbs asked for permission to redeploy their heavy weapons in the zone to defend themselves but were refused and warned that the ban on their weapons would be enforced, the United Nations said.

"The United Nations is aware of four Bosnian government heavy weapons inside the exclusion zone currently firing at the Bosnian Serb Army," said a UN spokesman, Alexander Ivanko.

"This is an outrageous action and we will protest to the Bosnian government at the highest level."

"The Serbs contacted us requesting permission to bring their heavy weapons back inside the zone and we have told them no way and warned them we will enforce the exclusion zone," Mr. Ivanko continued.

Enforcing compliance with the exclusion zone is the responsibility of NATO warplanes, which could be heard circling above Sarajevo on

Tuesday afternoon, and UN rapid reaction force artillery.

UN officials said the incident illustrated why a cease-fire was needed to protect the fragile peace process.

Richard C. Holbrooke, U.S. assistant secretary of state for European affairs, has found general acceptance for proposal to end the war but has been unable to persuade the warring sides to agree to a truce as they negotiate details.

He flew to Belgrade on Tuesday for talks with President Slobodan Milosevic of Serbia, who is representing the Bosnian Serbs in peace talks.

The American diplomat was downbeat after talks Monday with the Bosnian president and foreign minister.

But he said he would keep shunting between the Balkan capitals in search of peace.

"The two sides remain significantly in disagreement over the type of cease-fire, the nature of the details," he said. "The talks will go on."

In a positive development, rebel Serbs in Croatia agreed in principle to allow the return of Croatian authority, after a transition period, over the small swathe of territory they still control.

The agreement, reached at the first talks between Croats and Serbs since a Croatian offensive against the Serbs in Au-

gust, could eventually solve a dispute that would otherwise derail U.S. efforts to end the war in neighboring Bosnia.

In the background of the Sarajevo incident, the Bosnian Serbs were forced to pull their heavy weapons outside the 20-kilometer (12.5-mile) exclusion zone last month in exchange for a halt in NATO air strikes against their positions.

The Bosnian government committed itself then not to use its own heavy weapons to attack the Serbs from inside the zone.

UN sources said the four government guns — believed to be heavy mortars — had fired scores of rounds at Serbian targets. It appeared that the government guns were firing in support of Bosnian Army troops fighting around the town of Timovo, about 35 kilometers southeast of Sarajevo. Details of that fighting were sketchy.

A spokeswoman for the UN Rapid Reaction Force said government troops around Timovo returned fire on Serb positions after the Serbs opened fire on them.

"We're talking tens rather than hundreds of detonations," the spokeswoman said. "This is not unusual. It's the sort of thing that happens regularly in that area."

(Reuters, AP)

Republicans' Attraction to Powell Astonishes Some in the Party's Right

By R. W. Apple Jr.
New York Times Service

WASHINGTON — Without running for president, without even disclosing a party affiliation, General Colin L. Powell, retired, has caused more commotion on the Republican right than any of the declared candidates.

Last week Gary L. Bauer, a former Bush aide who heads the Family Research Council and American Renewal, both conservative groups, sent a fax to 5,000 conservative leaders, warning that "the current flirtation with Mr. Powell as the 1996 nominee has gone far enough" and urging his friends to cut it out.

Rightists and Jewish settlers opposed to the accord plan demonstrations in Jerusalem to coincide with the vote.

If three dissident members of Mr. Rabin's Labor-led coalition carry out a threat to vote against the government, Mr. Rabin could find the vote split 60-60 in the 120-seat house.

■ **Scuffle at Hebron School**

Jewish settlers protesting the flying of a Palestinian flag at a girls' school in Hebron scuffled Tuesday with Palestinian students and teachers, The Associated Press reported.

A few dozen settlers tried to remove the flag from the Karta school, across the street from the Jewish Beit Hadassah compound. When fighting broke out, Israeli soldiers forced the settlers to leave. One Palestinian was arrested.

Children in U.S. Pile on the Poundage

By Sally Squires
Washington Post Service

WASHINGTON — The number of seriously overweight children and adolescents in the United States has more than doubled in the last three decades, with most of the increase occurring since 1980, according to the latest government figures.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

"No matter how we define it, we see the same pattern in children that we've seen in adults over the same time period," said Richard Troiano, an epidemiologist at the Center for Health Statistics and the lead author of a study on the findings that will appear in this month's *Archives of Pediatrics and Adolescent Medicine*.

Experts believe that American children are probably ballooning for the same reasons their parents are. Studies by William Dietz, a researcher at Tufts University, and others suggest that physical inactivity — largely attributable to television, video games and personal computers — conspires with too much munching of high-calorie foods to add pounds.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

"No matter how we define it, we see the same pattern in children that we've seen in adults over the same time period," said Richard Troiano, an epidemiologist at the Center for Health Statistics and the lead author of a study on the findings that will appear in this month's *Archives of Pediatrics and Adolescent Medicine*.

Experts believe that American children are probably ballooning for the same reasons their parents are. Studies by William Dietz, a researcher at Tufts University, and others suggest that physical inactivity — largely attributable to television, video games and personal computers — conspires with too much munching of high-calorie foods to add pounds.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

"No matter how we define it, we see the same pattern in children that we've seen in adults over the same time period," said Richard Troiano, an epidemiologist at the Center for Health Statistics and the lead author of a study on the findings that will appear in this month's *Archives of Pediatrics and Adolescent Medicine*.

Experts believe that American children are probably ballooning for the same reasons their parents are. Studies by William Dietz, a researcher at Tufts University, and others suggest that physical inactivity — largely attributable to television, video games and personal computers — conspires with too much munching of high-calorie foods to add pounds.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

"No matter how we define it, we see the same pattern in children that we've seen in adults over the same time period," said Richard Troiano, an epidemiologist at the Center for Health Statistics and the lead author of a study on the findings that will appear in this month's *Archives of Pediatrics and Adolescent Medicine*.

Experts believe that American children are probably ballooning for the same reasons their parents are. Studies by William Dietz, a researcher at Tufts University, and others suggest that physical inactivity — largely attributable to television, video games and personal computers — conspires with too much munching of high-calorie foods to add pounds.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

"No matter how we define it, we see the same pattern in children that we've seen in adults over the same time period," said Richard Troiano, an epidemiologist at the Center for Health Statistics and the lead author of a study on the findings that will appear in this month's *Archives of Pediatrics and Adolescent Medicine*.

Experts believe that American children are probably ballooning for the same reasons their parents are. Studies by William Dietz, a researcher at Tufts University, and others suggest that physical inactivity — largely attributable to television, video games and personal computers — conspires with too much munching of high-calorie foods to add pounds.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

"No matter how we define it, we see the same pattern in children that we've seen in adults over the same time period," said Richard Troiano, an epidemiologist at the Center for Health Statistics and the lead author of a study on the findings that will appear in this month's *Archives of Pediatrics and Adolescent Medicine*.

Experts believe that American children are probably ballooning for the same reasons their parents are. Studies by William Dietz, a researcher at Tufts University, and others suggest that physical inactivity — largely attributable to television, video games and personal computers — conspires with too much munching of high-calorie foods to add pounds.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

"No matter how we define it, we see the same pattern in children that we've seen in adults over the same time period," said Richard Troiano, an epidemiologist at the Center for Health Statistics and the lead author of a study on the findings that will appear in this month's *Archives of Pediatrics and Adolescent Medicine*.

Experts believe that American children are probably ballooning for the same reasons their parents are. Studies by William Dietz, a researcher at Tufts University, and others suggest that physical inactivity — largely attributable to television, video games and personal computers — conspires with too much munching of high-calorie foods to add pounds.

The latest findings, presented at a science writers' meeting in Miami Beach sponsored by the American Medical Association, suggest that excess weight is a problem facing all American children, regardless of sex, race or ethnic background.

"I'm not surprised by the increase, but I'm surprised by the degree of the increase," said William J. Klish of the American Academy of Pediatrics. "It's a very significant jump."

The study — which examined a national sample of nearly 3,000 children and adolescents from 1988 to 1991 — found some of the steepest increases among black girls. For example, 16 percent of black girls age 6 to 11 fell into the heaviest group, compared with 10 percent in the 1960s.

SERVICE OFFICES DIRECTORY

World-Wide
Business Centres
Network ®

Fully equipped and serviced offices available on a daily, weekly or monthly basis. Rent, lease, translation and personalized telephone services. Meeting facilities.

A. Virtus
Tel. +43-1 524 70 466

B. Eurospace
Tel. +32 2 526 8566

C. CH Zurich/Basel/Canton/Zug
Tel. +41-1 71 61 1373

D. Dusseldorf/Aachen/Berlin
Cologne/Frankfurt/Hamburg
Munich/Wiesbaden/Nuremberg
Stuttgart
Tel. +49-2102 420 999

E. Barcelona/Madrid/Valladolid
Tel. +34 3 414 1988

F. Paris/Bordeaux/Lille/Lyon
Rouen/Tours/Montpellier
Marseille/Toulouse
Tel. +33 1 45 21 5955

G. Milan
Tel. +39 2 451 94771

H. Roma
Tel. +39 6 537 4222

I. London
Tel. +44 1 71 212 2141

J. NL Amsterdam/Utrecht
Maastricht/The Hague
Tel. +31 20 520 7505

K. Stockholm
Tel. +46 8 500 7510

L. Berlin
Tel. +49 30 524 39 666

M. Moscow
Tel. +7 095 157 7208

N. Worldwide Business Centres
No 1 in Europe

O. HeadOffice
Bremen
Tel. +49-1 214 62 62

P. USA
Tel. +1-212 505 46 19

Q. UK
Tel. +44 1 212 309 024

R. Italy
Tel. +39 2 451 94771

S. France
Tel. +33 1 45 21 5955

T. Spain
Tel. +34 3 414 1988

U. Germany
Tel. +49 30 520 7505

V. Switzerland
Tel. +41 1 71 61 1373

W. Austria
Tel. +43 1 524 70 466

X. UK
Tel. +44 1 71 212 2141

Y. France
Tel. +33 1 45 21 5955

Z. Italy
Tel. +39 2 451 94771

AA. Spain
Tel. +34 3 414 1988

BB. France
Tel. +33 1 45 21 5955

CC. UK
Tel. +44 1 71 212 2141

DD. France
Tel. +33 1 45 21 5955

EE. France
Tel. +33 1 45 21 5955

FF. France
Tel. +33 1 45 21 5955

GG. France
Tel. +33 1 45 21 5955

HH. France
Tel. +33 1 45 21 5955

II. France
Tel. +33 1 45 21 5955

JJ. France
Tel. +33 1 45 21 5955

KK. France
Tel. +33 1 45 21 5955

LL. France
Tel. +33 1 45 21 5955

MM. France
Tel. +33 1 45 21 5955

NN. France
Tel. +33 1 45 21 5955

OO. France
Tel. +33 1 45 21 5955

PP. France
Tel. +33 1 45 21 5955

QQ. France
Tel. +33 1 45 21 5955

RR. France
Tel. +33 1 45 21 5955

SS. France
Tel. +33 1 45 21 5955

TT. France
Tel. +33 1 45 21 5955

UU. France
Tel. +33 1 45 21 5955

VV. France
Tel. +33 1 45 21 5955

WW. France
Tel. +33 1 45 21 5955

XX. France
Tel. +33 1 45 21 5955

YY. France
Tel. +33 1 45 21 5955

ZZ. France
Tel. +33 1 45 21 5955

AA. France
Tel. +33 1 45 21 5955

BB. France
Tel. +33 1 45 21 5955

CC. France
Tel. +33 1 45 21 5955

DD. France
Tel. +33 1 45 21 5955

EE. France
Tel. +33 1 45 21 5955

FF. France
Tel. +33 1 45 21 5955

GG. France
Tel. +33 1 45 21 5955

HH. France
Tel. +33 1 45 21 5955

II. France
Tel. +33 1 45 21 5955

JJ. France
Tel. +33 1 45 21 5955

KK. France
Tel. +33 1 45 21 5955

LL. France
Tel. +33 1 45 21 5955

MM. France
Tel. +33 1 45 21 5955

PP. France
Tel. +33 1 45 21 5955

QQ. France
Tel. +33 1 45 21 5955

RR. France
Tel. +33 1 45 21 5955

UU. France
Tel. +33 1 45 21 5955

YY. France
Tel. +33 1 45 21 5955

ZZ. France
Tel. +33 1 45 21 5955

AA. France
Tel. +33 1 45 21 5955

BB. France
Tel. +33 1 45 21 5955

CC. France
Tel. +33 1 45 21 5955

DD. France
Tel. +33 1 45 21 5955

EE. France
Tel. +33 1 45 21 5955

FF. France
Tel. +33 1 45 21 5955

GG. France
Tel. +33 1 45 21 5955

HH. France
Tel. +33 1 45 21 5955

II. France
Tel. +33 1 45 21 5955

JJ. France
Tel. +33 1 45 21 5955

KK. France
Tel. +33 1 45 21 5955

LL. France
Tel. +33 1 45 21 5955

MM. France
Tel. +33 1 45 21 5955

PP. France
Tel. +33 1 45 21 5955

QQ. France
Tel. +33 1 45 21 5955

RR. France
Tel. +33 1 45 21 5955

UU. France
Tel. +33 1 45 21 5955

YY. France
Tel. +33 1 45 21 5955

ZZ. France
Tel. +33 1 45 21 5955

AA. France
Tel. +33 1 45 21 5955

BB. France
Tel. +33 1 45 21 5955

CC. France
Tel. +33 1 45 21 5955

DD. France
Tel. +33 1 45 21 5955

EE. France
Tel. +33 1 45 21 5955

FF. France
Tel. +33 1 45 21 5955

GG. France
Tel. +33 1 45 21 5955

HH. France
Tel. +33 1 45 21 5955

II. France
Tel. +33 1 45 21 5955

JJ. France
Tel. +33 1 45 21 5955

KK. France
Tel. +33 1 45 21 5955

LL. France
Tel. +33 1 45 21 5955

MM. France
Tel. +33 1 45 21 5955

PP. France
Tel. +33 1 45 21 5955

QQ. France
Tel. +33 1 45 21 5955

RR. France
Tel. +33 1 45 21 5955

UU. France
Tel. +33 1 45 21 5955

YY. France
Tel. +33 1 45 21 5955

ZZ. France
Tel. +33 1 45 21 5955

AA. France
Tel. +33 1 45 21 5955

BB. France
Tel. +33 1 45 21 5955

CC. France
Tel. +33 1 45 21 5955

DD. France
Tel. +33 1 45 21 5955

EE. France
Tel. +33 1 45 21 5955

FF. France
Tel. +33 1 45 21 5955

GG. France
Tel. +33 1 45 21 5955

HH. France
Tel. +33 1 45 21 5955

II. France
Tel. +33 1 45 21 5955

JJ. France
Tel. +33 1 45 21 5955

KK. France
Tel. +33 1 45 21 5955

LL. France
Tel. +33 1 45 21 5955

MM. France
Tel. +33 1 45 21 5955

PP. France
Tel. +33 1 45 21 5955

QQ. France
Tel. +33 1 45 21 5955

RR. France
Tel. +33 1 45 21 5955

UU. France
Tel. +33 1 45 21 5955

YY. France
Tel. +33 1 45 21 5955

ZZ. France
Tel. +33 1 45 21 5955

AA. France
Tel. +33 1 45 21 5955

BB. France
Tel. +33 1 45 21 5955

EDITORIALS/OPINION

Herald Tribune

INTERNATIONAL
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Treaty to Respect

Observers of different persuasions agree that Russia has a case for asking for changes in the 1990 treaty on Conventional Forces in Europe. This treaty, written while there still was a Cold War and a Soviet Union, sought to defuse the danger of East-West war by limiting conventional weapons by type and location. It has been extremely successful in establishing a new stability. But the evaporation of a Soviet threat left certain strategic problems affecting both sides, especially on the flanks.

Chafing Russian generals note that zones which formerly were near areas now constitute Russia's first line of defense. Even before the Chechnya insurrection, the generals were arguing that Russia faces chronic instability on its southern border.

The case for review, however, is a case for collective review under the treaty's terms, not for unilateral abrogation. That is what is objectionable in the attitude that an impatient Russian military and an increasingly nationalistic Russian public have pressed upon a vulnerable Moscow leadership. Some generals and their followers seem positively eager to break the treaty. Moscow is in compliance with the CFE treaty's overall national ceilings, but it will be in violation of flank limits unless it removes specified wea-

pions by Nov. 17. There would be no immediate crisis but the spectacle of Russian treaty-breaking would rightly raise alarms about civilian control of the military and would otherwise play into what is so far a contained but gathering American debate about Russia policy.

Russians have complained about flank limits for years. NATO has been relatively slow to respond, advising Moscow to wait for review in May 1996. Recently under an American lead, however, the alliance suggested redrawing the map to let Russia retain sufficient forces in an expanded Caucasus area to deal with its perceived security problems. The proposal involves nothing strenuous for the Russians and no new threat to the neighborhood, but it is a change and would require congressional approval. It's too bad it was not launched before treaty compliance started to cast a shadow on the far-reaching issue of NATO expansion.

In Washington as in Moscow, some have argued for a tougher policy toward the other country on grounds of respectively, Russia's contempt for the CFE treaty and the United States' indifference to Russian security concerns. A little reasonableness should ease this problem.

—THE WASHINGTON POST.

Convicted of Terror

It was to be a day of unimagined terror in the New York area. Powerful home-made bombs like the one that shook the World Trade Center in February 1993 were to go off at the United Nations headquarters, the main New York Federal Building, the Holland and Lincoln tunnels and the George Washington Bridge. The conspirators were arrested before they could act. On Sunday a federal jury convicted Sheikh Omar Abdel Rahman and nine followers on 48 of 50 charges relating to that terror conspiracy. It was a justified verdict based on an unusually broad but constitutionally sanctioned law.

The successful prosecution case was built around the rarely used charge of sedition — plotting — to forcibly destroy or overthrow of the U.S. government. In this case the claim was that the defendants conspired to forcibly change U.S. government policies toward Egypt and Israel. The sedition charge required the government to prove only an intention to wage a terror campaign rather than specific individuals to the planning of specific acts.

Prosecutors used tape recordings made by a paid undercover informant as well as testimony from other witnesses to connect the defendants to discussions in which terrorist targets were discussed and to the actual mixing of explosives. The government also traced multiple

links between these defendants and two of those convicted in the earlier World Trade Center trial. But only the sketchiest connections were established between Sheikh Abdel Rahman and the alleged mastermind of that crime, Ramzi Ahmed Yousef. More may emerge on this at Mr. Yousef's trial next year.

Sheikh Abdel Rahman, who faces a possible sentence of life in prison, was convicted on the basis of recorded advice to his followers about the kind of targets that would and would not be justified under his interpretation of Islamic doctrine, and testimony about his religious preachings. No one should be prosecuted merely for inflammatory beliefs or oratory, but in this case there was considerable evidence of deeper involvement in terrorist planning.

Charges like sedition conspiracy and investigative tactics like the use of paid informants need to be used with the utmost caution. When society is threatened with terror it must respond aggressively to protect the lives of its citizens. When that society is a constitutional democracy, it has the added burden of responding in accordance with law and principle, balancing considerations of security and justice. The prosecutors and jury in this extraordinary case appear to have met that demanding test.

—THE NEW YORK TIMES.

West Indian Corrective

The savage welfare cuts that just passed Congress have their roots in the Reagan revolution, which revived the Victorian view of poverty as a moral ailment brought on by sloth and failure of will but never, ever by anything so mundane as lack of opportunity. Black Reaganauts brought a welcome diversity to conservative politics, but their main function was to validate moral indictments of the poor. The most obvious case was Clarence Thomas, who trashed the civil rights movement every chance he got and publicly insulted his sister for temporarily resorting to welfare during a crisis. Colin Powell figures in this debate as well, both as a black Reaganaut and as a self-identified West Indian.

Because some analyses show them outpacing African-Americans in income, West Indians are routinely held up as proof that discrimination plays no real role in poverty. In "Wealth and Poverty," the bible of the first Reagan White House, George Gilder argued that West Indians born in the United States exceeded even WASPs in education and median income, and that therefore discrimination was no obstacle to black upward mobility. The economist Thomas Sowell took up the case in several books. But the Gilder-Sowell arguments were loaded and tendentious.

Ignored was the obvious fact that immigrants are self-selected travelers, primed for upward mobility. West Indian history and culture are special cases, too. Having lived in black societies where segregation was nonexistent, the first wave of West Indian immigrants arrived in America fearless of whites, indifferent to racial barriers. The Pullman Company, a major employer of blacks, declined to hire them knowing that subservience was not their strong suit. The main West Indian asset was an almost religious devotion to the rotating credit associations that capitalized their businesses and that anthro-

polists trace back to Africa. Surveying Harlem in 1945, Adam Clayton Powell noted that West Indians "forged ahead faster than the rest" and received "envious scorn" from African-Americans.

The animosity endures. Consider what transpired when Colin Powell proposed to Alma Thomas, an African-American from a prominent family in Birmingham. In General Powell's memoir, "My American Journey," Alma's father, R. C. Johnson, says: "All my life, I've tried to stay away from those damn West Indians. Now my daughter's going to meet one." The wedding pictures show Mr. Johnson long-faced and forlorn.

Colin Powell revels in his West Indian heritage — mentions it every chance he gets — while keeping a discreet distance from the political uses that some would like to make of that.

Why were West Indian immigrants so successful? The British, he writes, were "absentee landlords," leaving West Indian slaves more or less on their own. "Their lives were hard," he writes, "but they did not experience the crippling paternalism of the American plantation system, with white masters controlling every moment of a slave's life."

When Caribbean slavery ended — a generation earlier than in the United States — "my ancestors were told that they were British citizens with all the rights of any subjects of the crown. That was an exaggeration; still, the British did establish good schools and made attendance mandatory." The British then filled the civil service with blacks, giving them "self worth" and "an opportunity to develop attitudes of independence."

The tone is considerably more rational than the one we have been hearing for the last 15 years. In subtlety at least, General Powell seems to say that even though he walked among the Reaganauts, he was never truly one of them.

—THE NEW YORK TIMES.

International Herald Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen

RICHARD McCLEAN, Publisher & Chief Executive

JOHN VINOCUR, Executive Editor & Vice President

WALTER WELLS, News Editor • PAUL HORVITZ, KATHERINE KNORR, and CHARLES MITCHEL MORE, Deputy Editors • SAMUEL ABT and CARL GIVERTZ, Associate Editors

ROBERT J. DONAHUE, Editor of the Financial Pages • JONATHAN GAGE, Business and Finance Editor

RENE BONDY, Deputy Publisher • JAMES MCLEOD, Advertising Director

JUANITA L CAPARI, International Development Director • DIDIER BRUN, Circulation Director

Direktor de la Publicación: Richard D. Simmons

Direktor Adjunto de la Publicación: Katharine P. Duran

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (33) 1 43 39 01 01. Fax: (33) 1 43 39 12 12. Internet: IHT@caron.com

Editor in Chief: Michel Richefort, 5, Canteleau Rd., Singapore 0911, Tel: 65 473-7700. Fax: (65) 374-2241

Asia Dir. Ass.: Bob D. Arvey, 90 Gloucester Rd., Hong Kong, Tel: 852 522-1188. Fax: 852-2022-1190

Int'l Mkt. Manager: T. Schäfer, Friedrichstr. 15, 60313 Frankfurt/M, Tel: (069) 72-67-55. Fax: (069) 72-73-10

Int'l Advertisers' Office: 183 Third Ave., New York, NY 10012, Tel: (212) 349-5705

U.K. Advertising Office: 63 Long Acre, London WC2E 9LP, Tel: (0171) 836-1802. Fax: (0171) 349-1224

Int'l Advertising Office: 1, 200 1st Ave., NYC, N.Y. 10020, Tel: (212) 557-1200. Commission Publicitaire: No. 61337

International Herald Tribune, All rights reserved ISSN 0894-9752

It Was America That Escorted Japan Into the Fold

By Roger Buckley

TOKYO — Fifty years ago this autumn, the United States launched an extraordinary experiment. It decided to remake newly conquered Japan in its own image. After its bloodiest overseas war and against the advice of skeptical allies, the U.S. government approved detailed plans for the transformation of a wary, alien society. The ambition, scale and results of this venture deserve attention and respect half a century after the first GIs arrived in Tokyo.

Russians have complained about flank limits for years. NATO has been relatively slow to respond, advising Moscow to wait for review in May 1996. Recently under an American lead, however, the alliance suggested redrawing the map to let Russia retain sufficient forces in an expanded Caucasus area to deal with its perceived security problems. The proposal involves nothing strenuous for the Russians and no new threat to the neighborhood, but it is a change and would require congressional approval. It's too bad it was not launched before treaty compliance started to cast a shadow on the far-reaching issue of NATO expansion.

In Washington as in Moscow, some have argued for a tougher policy toward the other country on grounds of respectively, Russia's contempt for the CFE treaty and the United States' indifference to Russian security concerns. A little reasonableness should ease this problem.

—THE WASHINGTON POST.

logical mission. It was determined to impose an American form of democratic government on the defeated, democratized and hungry Japanese.

General MacArthur and his lieutenants set to work with a brashness and determination that alarmed the Japanese establishment. A tidal wave of reforms all but drowned the old couriers, officials and industrial czars. However, the unpopularity of the American commands among the conservatives was more than matched by the enthusiasm felt by the dispossessed. The United States quickly became the liberator of many in Japanese society.

The popularity of General MacArthur and his staff rested on a tripod of radical reforms. By insisting that Japan accept an open, democratic political system, they were putting in place the best guarantee that the Japanese would not revert to militarism. In Washington's eyes, its brand of democracy was a sure safeguard against fascism.

After dictating a new constitution for

Japan that has lasted without amendment to this day, the United States then altered the education system to buttress the democratic changes. Then it drastically changed the balance of power in rural Japan by eliminating the control of landlords and enabling tenant farmers to own their own rice fields.

Even though critics within Japan and outside can rightly point to later switches in occupation policies, particularly in the relaxation of barriers to the breakup of industrial conglomerates, the Japan of 1995 displays many of the qualities that were encouraged in the occupation era.

Contemporary critics of Japan in the West might ask themselves whether they ought to fault the American overseer rather than the Japanese pupil. Many of Japan's achievements since 1945 bear the imprint of American prompting and example.

If Japanese industry would later take on Detroit and California's Silicon Valley, the postwar reconstruction began under U.S. auspices. Industrial and trade policies that are now castigated by Washington were then promoted as ways to get Japan back on its feet again.

Of course, what no one could foresee was the zeal and national pride that postwar Japan would put into these economic struggles. Once it had promised to itself and its Asian neighbors that it would uphold the pacifist constitution drawn up by the United States, the country went full speed ahead to revitalise its industry and regain lost markets.

Japan continued to concentrate on these goals during the Cold War by leaving heavy defense burdens and global political responsibilities to other powers.

The United States, under the terms of the security alliance with Japan that was signed immediately after the formal peace treaty in 1951, pledged to take care of the country's defense.

If America is uncomfortable with Japan's economic strengths and international weaknesses, it might recall that its postwar Asian ward was made in America.

The writer, author of "U.S.-Japan Alliance Diplomacy, 1945-1990," teaches history at the International Christian University in Tokyo. He contributed this comment to the International Herald Tribune.

The Champion UN Deadbeat Ought to Be Ashamed of Itself

By A. M. Rosenthal

NEW YORK — France, zero. Britain, zero. Zero for other Western allies whose victory in World War II led to the founding of the United Nations: Canada, the Netherlands, Australia, Belgium.

On this list, a UN document, zeros are medals. They mean that the countries have paid up all their dues to the United Nations' annual budget, and owe nothing. The former Axis partners get zero. More may emerge on this at Mr. Yousef's trial next year.

Sheikh Abdel Rahman, who faces a

possible sentence of life in prison, was convicted on the basis of recorded advice to his followers about the kind of targets that would and would not be justified under his interpretation of Islamic doctrine, and testimony about his religious preachings. No one should be prosecuted merely for inflammatory beliefs or oratory, but in this case there was considerable evidence of deeper involvement in terrorist planning.

Russia gets the zero medal for all past dues. The check from Moscow for part of this year's dues has not yet arrived, but, given that things are really complicated there, Russia has little to be ashamed of. Its delegates can walk in cast votes and make speeches without flushing.

But on the United Nations' 50th anniversary, the United States gets no zeros, no medals. How embarrassing its delegates must be when they lecture the United Nations on reform. A good case could be made for can-

celing U.S. voting privileges in the General Assembly, or putting Washington on probation for having been a financial deadbeast.

The United States is \$212 million in arrears for the annual budget for past years, and \$315 million for this year.

Turn to contributions to the peacekeeping budget, for missions carried out by the United Nations at the orders of member nations, including the United States. More than \$1 billion is due from the United States.

The United Nations puts the total American arrears for budget and peacekeeping at \$1.6 billion. U.S. accounting knocks off \$300 million for deductions it decided on without UN agreement. Either way, the United States owes about 43 percent of the total UN deficit.

But the United Nations has no

reserves or capital. Even as the presidents and prime ministers

specify, it is overdrawn and has

peacekeeping debts of \$1 billion.

It is behind that much in the pay

and equipment costs of the troops

on mission duty.

One more: Bosnia, Haiti or

Cambodia and the United Nations

will pay for carrying out the new

mission by — why? Nobody

has any great ideas, or even

mediocre ones.

Taking accomplishments and

failures, the United Nations has

been a good political investment.

Most Americans believe so.

Financially the U.S. budget allocation is a free lunch. From UN

salaries spent and purchases

made in the United States, Ameri-

ca gets back far more than its

annual dues.

But in Congress, under Democra-

tic as well as Republican lead-

ership, members adore punching

the United Nations around.

Some of the actions taken at the

United Nations are eminently de-

nounceable — like the years of

anti-Semitism parading as anti-

Zionism, or the deliberate mis-

labeling of peacemaking as

peacekeeping, as in Bosnia. But

the perennial congressional UN-

bashers withhold dues. They talk

as if

OPINION/LETTERS

Grim Society's Excesses Replace Those of Great Society

By Kevin Phillips

WASHINGTON — Ross Perot's surprise third-party announcement didn't come in time to block the new congressional agenda moving through Washington. The trouble is, the United States can't afford another reckless economic and social experiment in which the failed liberalism of the Great Society, the expensive naïveté of the 1960s, gets replaced by a new Grim Society, the rightward overreaction of the 1990s.

"Conservative" isn't the right label here. Plans to gut Medicaid, cut Medicare, slash environmental regulation, recast the tax code toward Wall Street and Palm Desert and embark on a risky new approach to welfare aren't considered, careful and incremental. On the contrary, taken together, they are the stuff of radicalism — or ivory tower planners, ideologues and second-rate professors ascended to positions of first-class power.

Tricky legislative procedures are a warning light. Agendas rushed through Congress, hurried so ordinary voters do not have time to understand or protest, are almost always the excesses of special interests — not the sentiments of the grass roots. Last week's Medicare "reform" is a perfect example. It's also failing to compare the current Republican Congress to the last session to produce such a blizzard of supposedly reformist domestic legislation — the overwhelmingly liberal 89th Congress of 1965-66.

Both parties go too far, given half a chance. For both episodes prove the same point: Citizens must beware when zealots pretend that a negative election targeting an unpopular White House occupant or candidate was actually a mandate for their own accumulated domestic policy daydreams.

President Lyndon Johnson and the hugely Democratic 89th did this 30 years ago, misinterpreting the defeat of 1964 Republican nominee, Barry Goldwater, as a mandate for piling up federal programs; experimenting

with housing, education and welfare; seeking to end poverty almost overnight, and paying for everything with printing presses and inflation instead of new taxes. Sociologists and "experts" had a field day, and even the 2-1 Democratic Congress passed some of the more extreme legislation by only two-vote margins. Finally, on Election Day 1966, the voters rebelled, and the Democrats lost 47 seats in the House and three in the Senate.

The relevance is twofold. First, parts of this "Great Society," grown like Jack's beanstalk, are what Americans are now fighting over. Republicans are quite correct in saying many entitlements did get out of hand, fueling today's sky-high health costs and welfare outlays. However, just as the 1965-66 congressional surge of progressivism went beyond national support for dealing with the accumulated problems of civil rights, education, health and the environment, the right's "Contract With America" orgy also goes beyond a reasonable correction of excessive government regulation.

The unnerving parallels don't end with initial overreaction. Today's right-wing zealots seem just as eager as 1960s liberals to ignore voter worries that they're going too far — even as they twist the arms of unhappy senators and congressmen to ram legislation through in secrecy before voters can know what's going on. Last week's bloodletting on Medicare, with only one day of hearings and with critical dollar amounts and formulas withheld, follows similar covert procedures in the Republican Congress's regulatory overhaul and tort reform. Fear is also growing that these Republican backroom maneuvers are threatening the future of the Environmental Protection Agency.

Thirty years ago, the ambitious blue-printers were liberals in the Departments of Health, Education and Welfare and Housing and Urban Development, backstopped by academics, economists and consultants from dozens of think tanks, universities and institutes. Today, there is a new generation of overheated individuals — this time conservative — from a new crowd of universities and think tanks. They are now touting the merits of flat taxes and permissive business regulatory policies — free the Oil Spill Five and the Securities Fraud Seven — and just as eager to ennable overprivileged speculators and corporate buccaneers as their 1960s liberal predecessors were to ennable underprivileged welfare "clients" and muggers.

Today's right is embarrassed by yesterday's jokes about experts and eggheads. In the 1990s, the professors who have never met a payroll are managing conservative ideology: the House speaker, Newt Gingrich, a former assistant professor of history at West Georgia College; the House majority leader, Dick Arme, a former professor of economics at North Texas State University; and Senator Phil Gramm, presidential candidate and a former professor of economics at Texas A&M University. These three are probably the top Washington strategists of the Republicans' "Contract With America" with its commitment to Darwinian sociology and trickle-down economics.

Practical centrism is not what they do. Frederick the Great of Prussia made a shrewd analysis when he said if he wanted to punish a province, he would have it ruled by an intellectual. The United States so opted not only in 1994, when it elected a congressional majority enthralled with professors Gingrich, Arme, and Gramm, but also in 1992 — by electing the former Rhodes Scholar and former part-time University of Arkansas law professor Bill Clinton as president.

The result has been a double-barreled na-

tional disenchantment. First, with the president's indecisive leadership; then with the new Republican Congress that has ducked such populist issues as term limits and campaign reform in order to emphasize "Contract With America" provisions that can better be described as a "Contract With K Street" — the Washington special-interest lobbying community — already being decried by both Mr. Perot and Colin Powell.

The public understood this first, though, as autumn's leaves begin to fall in Washington, the ratings of the new Republican Congress and speaker are already on the ground, brown and crumbling. New polls taken by NBC, Gallup and the Times Mirror Center all show the Congress drawing negative assessments, the weakest since the election down from the public's 2-to-1 favorable views of the new Republicans last winter. Familiarity has bred at least discontent. This has been fanned, most recently, by the arrogance of the new Republican majority, which simultaneously pushed \$270 billion worth of Medicare reductions while insisting the country also needed \$245 billion of tax cuts tilted to business and the upper brackets. That's chutzpah.

But the most important thing about the apparent simultaneous failure of the Democratic president and the Republican Congress is that the public may finally be rejecting the two-party system, in operation since the 1860s. National surveys show 60 percent of Americans favor the creation of a new third party — with half the Democrats and half the Republicans agreeing the United States needs something else.

The writer is the author most recently of "Arrogant Capital: Washington, Wall Street and the Frustration of American Politics." He contributed this comment to the Los Angeles Times.

LETTERS TO THE EDITOR**At a Loss**

Regarding "Peres and Arafat Agree on Transfer of West Bank to Arabs" (Sept. 25):

I must be one of the many people who find themselves at a loss on the subject of the Israeli-Palestinian negotiations. Aren't negotiations supposed to benefit both sides?

The Palestinians are gaining control over the West Bank. Serge Schmemann writes that "the staged withdrawal enabled both sides to claim major gains."

The Palestinians' gain is obvious, but what exactly are the gains for the state of Israel and its people? That for

the second time the Palestinians will promise to revoke the article calling for the destruction of Israel?

The final stage of negotiations will deal with the fate of Jerusalem. Isn't Mr. Peres walking on dangerous ground here?

GALINA MICHKOVITCH
London

United Bosnia

There is talk these days about the territorial division of Bosnia and ties of the eventual Serbian and Croatian sectors with Serbia and Croatia. But there is not a word about the future of the Muslim sector.

Perhaps it would be simpler and more stable if Bosnia remained an integral state with one legislative body and one government, in which all three ethnic groups were represented proportionally. The Swiss constitution could be a model.

There would be no need for voluntary or compulsory movement of populations. People would vote for candidates where they resided.

T. L. CHRYSANTHOPOULOS
Villejuif-Louise, France

Grateful in Germany

Regarding "Closed Germany Keeps Refugees Adrift" (Sept. 12):

Why doesn't the International Herald Tribune publish an article about the hundreds of thousands of refugees and asylum seekers in Germany who are grateful for receiving shelter instead of being jailed, tortured, raped or even murdered.

ALBRECHT KÜPPERS
Bad Soden, Germany

Unfair to RVs

Regarding "Let the Motorized Hordes Go Camping at Wal-Mart" (Opinion, Aug. 23):

Tom Chaffin's article misrepresented recreational vehicles (RVs) in U.S. national parks and presented a

narrow, restrictive vision of camping that would exclude millions of Americans who travel and camp in them.

Any group has the potential to abuse our parks. Irresponsible backpackers can foul streams. Tent campers can play radios loudly outside. RVers can forget rules to turn generators off after 9 P.M. But the misconduct of the minority doesn't justify punishing the conscientious.

DAVID J. HUMPHREYS
Reston, Virginia

The writer is president of the Recreation Vehicle Industry Association.

BOOKS**ANOTHER YOU**

By Ann Beattie. 323 pages. \$24. Knopf.

Reviewed by Howard Frank Mosher

PRESSOR Marshall

Lockard is in a holding pattern. This isn't anything unusual, though, for the reluctant, middle-aged hero of Ann Beattie's powerful and entertaining new novel.

A literature teacher at a mediocre New England college, Lockard has never been able to involve himself fully in what he thinks of as "real life."

Instead, he seems to dwell primarily in a detached world of daydreams, whimsical speculations and remembered lines from favorite poems.

As simple an act as reaching for a banana prompts him to wonder: "if there was any poem that contained the word 'banana.' 'Peach,' certainly: what Magritte had done for the green apple. Eliot had done for the peach. For a moment he thought how different, how absurdly different, the whole poem would be if Prufrock had wondered whether he dared to eat a banana."

In fact, Marshall Lockard, though a thoroughly decent

man, has no personal friends, no strong family attachments, no passions other than books, and more than a bit in common with T.S. Eliot's maddeningly uncommitted J. Alfred Prufrock.

The poor guy can't even bring himself to write a love poem to his wife, for fear it will turn out to be clichéd.

The realm of human affairs in Beattie's fiction is never less than complex and unpredictable, however.

Right out of the blue one stormy evening, Marshall picks up a young woman hitchhiker, who causes his entire life to undergo a profound transformation.

The tone of these letters is deeply ambiguous.

Some of them border on romantic declarations; others reveal an impenetrable self-absorption and a tormented marriage, and hint at a strange, secret love triangle.

By degrees, they reveal a compelling family history.

At the same time, Marshall decides to embark on a road trip south to Key West, into his own personal and family past.

The ensuing entanglements are unlike anything Marshall has ever before experienced, particularly after McCallum seeks refuge at the Lockards' house, where he's tracked down and stabbed nearly to

death by his crazed wife. As if this isn't enough to deal with, Marshall's stepmother, Evie, has a life-threatening stroke, and soon afterward his wife acknowledges to him that she's been conducting a torrid affair with her boss, a sleazy real estate dealer, with whom she has been playing a wildly erotic version of hide-and-go-seek known as "the game" in the empty houses he's listing.

Interspersed at strategic intervals in the unfolding narrative is a series of mysterious old letters from a man identified only by his signature, "M." to the governess of his children.

The tone of these letters is deeply ambiguous.

Some of them border on romantic declarations; others reveal an impenetrable self-absorption and a tormented marriage, and hint at a strange, secret love triangle.

Beattie's tenth work of fiction also presents us with her widest range of major characters to date.

No other writer at work in this country today invents such devastating send-ups of self-styled intellectuals.

Howard Frank Mosher wrote this review for *The Washington Post*.

BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.		
FICTION	Last Weeks	Wk. on List
1 THE HORSE WHISPERER, by Nicholas Evans	3	2
2 MORNING, NOON AND NIGHT, by Sidney Sheldon	6	2
3 DOMINE, PREMI, by Rainer Maria Pfeiffer	2	4
4 IT IS FOR LAWLESS, by Sue Grafton	1	3
5 COME TO GRIEF, by Dick Francis	1	4
6 BEACH MUSIC, by Pat Conroy	7	12
7 FROM POTTER'S FIELD, by Parson Cornell	4	7
8 A PLACE CALLED FREEDOM, by Ken Follett	10	3
9 THE CELESTINE PROPHECY, by James Redfield	7	83
10 DEAD MAN'S DIARY, by Larry McMurtry	13	14
11 MEMNOCH THE DEVIL, by Anne Rice	9	10
12 THE RAINMAKER, by John Grisham	11	23
13 STORMY WEATHER, by Carl Hiaasen	13	5
14 LIGHTNING, by Danielle Steel	12	10
15 THE BRIDGES OF MADISON COUNTY, by Robert James Waller	163	1
NONFICTION		
1 MY AMERICAN JOURNEY, by Colin L. Powell	1	1
2 MY POINT OF VIEW, by Ellen DeGeneres	1	4

ADVICE, HOW-TO AND MISCELLANEOUS

1 MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	1	123
2 THE SEVEN SPIRITUAL LAWS OF SUCCESS, by Deepak Chopra	2	28
3 STOP AGING NOW!, by Jean Carper	3	7
4 THE MELATONIN MIRACLE, by Walter Pierpaoli and William Regelson with Carol Colman	1	4

Thursday**HEALTH/SCIENCE**

With a wide range of topics from technology to space exploration, from recent medical discoveries to how the human brain functions, this in-depth feature brings up-to-date information on scientific and physical developments in the intriguing worlds of health and science.

Every Thursday in the International Herald Tribune.

TO OUR READERS IN GERMANY

It's never been easier to subscribe and save - just call our Frankfurt office toll-free 0130-848585 or fax: 069-175413.

A Lesson on Yom Kippur For Former Soviet Jews

By Edward Serotta

BERLIN — The four-story building, a barracks, sits alone in the forests that divide the former East German state of Thuringia with its rich western neighbor, Hesse. Before 1989, the building housed East German border guards.

These days, you can't even find the border, although the barracks, not far from the village of Mackenrode, are still occupied — by 108 Jews from the former Soviet Union.

With a mixture of guilt and generosity tempered by practicality, Germany welcomes a certain num-

Siniola Tschushimir, also from Kiev, said, "About Judaism, we all of us in this room, don't know a thing!"

She looked down the table at the children sitting on their parents' and grandparents' laps.

"My grandparents knew a lot about being Jewish," she said. "But because of communism, they became afraid to teach us, and so now we sit together and we don't know how to be Jews. I feel so helpless."

She continued, raising her voice.

"I want my daughter to know something, lots of things," she said. "I want my daughter to be in a country where you can practice religion without being afraid, and I want her to know what it means to be a Jew."

"I ask you," she went on. "On Yom Kippur, is there some special prayer I can say for her future?" I mean, it's too late for me."

Her voice cracked. In a half-whisper, she said. "I want everything for her."

After learning about the holy day, Efim Kislenko, a 65-year-old engineer from Kishinev, said he was disappointed he wouldn't be able to attend Yom Kippur services.

"You say living far from a synagogue?" he asked. "It hardly seems fair now that you've explained how important it is."

Their teacher had

STAGE/ENTERTAINMENT

'To Die For': Portrait of the Media Monster

By Stephen Holden
New York Times Service

NEW YORK — The movies have always reveled in monsters who emerge from the primeval swamp of our unconscious to terrify us with half-remembered nightmares. But Gus Van Sant's scathing, satirical new film, "To Die For," may be the first movie to create a glamorous she-devil who is as up-to-the-minute as the latest tabloid titbit on Michael Jackson, Madonna and the O.J. Simpson circus.

You might call Suzanne Stone, the lethally ambitious weather girl at the center of the film, Hollywood's first full-blown media monster, a creature born out of a million television shows, then slicked and scented with the fragrances and emollients of a million glistening commercials.

Superbly played by Nicole Kidman with the cold-blooded perfidiousness of a Miss America contestant, Suzanne flaunts a narcissism so insatiable that it can be satisfied only by fame and fortune as a network television personality.

When Suzanne decides that her stick-in-the-mud husband is impeding her campaign to reign alongside Diane Sawyer, Barbara Walters and Oprah Winfrey as a media queen, she engages a trio of aimless high school students, with whom she is making a furtive document-

tary on teenage life, to murder him. As payment, she offers the killers the only two things she considers worthwhile: sex and the promise of glamorous media jobs once she becomes famous.

Although she is a celebrity only in her fantasies, Suzanne realizes not long after the murderer that notoriety could change all that. Better to be Susan Smith or Amy Fisher than nothing, she decides, dazzled by the glare of approaching television lights.

In dissecting the overpowering allure of the television media "To Die For" gives that theme a wonderfully vicious twist. The movie is constructed around Suzanne's home-video pitch of her own story to Hollywood. In videotaping a story that she expects to cash in on, Suzanne has made the logical next step beyond Joey Buttafuoco and Amy Fisher or the O.J. Simpson crowd in self-communism.

By taping and editing her version of events, she has seized control and created the ultimate tabloid docudrama, one in which reality and fiction, home movies and Hollywood come together. Suzanne long ago absorbed the lessons of modern stardom: fame is fame, no matter how you get it. And fame pays big bucks if you massage it right. All it takes is nerves of steel and no conscience.

At the dawn of the media age, the world was divided into two camps: the stars, who lived exalted lives in a West Coast par-

adise known as Hollywood, and then everybody else. In those days, the stars gave lessons to the masses in how to speak, dress and act. But unless you were the one-in-a-million hopeful who was discovered and anointed, you were just an imitator.

Then television was invented. Along with the stars came more and more people who looked and acted just like everybody else, except they were a little more polished. It became harder and harder to tell the difference between the stars and everybody else. And when the TV box grew so big that a close-up of a face was larger than life, every face that appeared on it became a star face.

By 1970, this celestial democracy was proclaimed in popular songs like John Lennon's "Instant Karma" and Sly and the Family Stone's "Everybody Is a Star." That phrase — "everybody is a star" — is so optimistically American. Democratic and egalitarian, it implies that millions of people have enough vision and autonomy to see themselves as larger-than-life beings with unlimited opportunities. Nobody's better than anyone else.

But if everybody is a star, who's going to watch? That is the humorous question posed in "To Die For." The obvious answer is that some stars will be brighter than others. For the contradictory nature of television is that while it is busy including

everybody and finding the lowest common denominator of taste, it is also about winning. If a television show doesn't grab ratings, it's kaput. That's where the monster comes in.

A media monster is born out of the increasingly hard-to-discern gulf between day-to-day television news readers and their advisers tightly handicapped by the trial, to most people it was perfectly clear that this was just the latest form of infotainment. But the cultural lesson being taught is a law that has nothing to do with justice or the legal system and everything to do with images and self-marketing.

Television has figured out how to turn almost everything into high drama and make everyone feel like a player. We are all stars of our own riveting soap operas. The only thing standing between us and celebrity is a mass murderer in the family or an extraterrestrial abduction.

But high drama thrives on conflict, not on resolution. That may be why the tone of discourse across the spectrum of American life has become so shrill. A quiet conversation isn't nearly as exciting or commercially salable as a hysterical argument.

More and more people seem willing to sacrifice a great deal to be noticed by television. In "To Die For," Suzanne Stone never gets to be on a talk show, spilling out her most intimate secrets for the price of an airline ticket to the studio and a moment of air time. But her family does.

No event has demonstrated so brazenly the conversion of

the personal into the commercial as the O.J. Simpson trial. And no event has revealed television to be so profoundly duplicitous. As many have observed, the trial was a travesty of justice run amok. While television news readers and their advisers tightly handicapped by the trial, to most people it was perfectly clear that this was just the latest form of infotainment.

But the cultural lesson being taught is a law that has nothing to do with justice or the legal system and everything to do with images and self-marketing.

To be a Kato Kaelin or a Faye Resnick in America is to win the media sweepstakes. The Kaelins, Resnicks, Buttafuocos and Bobbitts are the winners in a world in which publicity, lies and wealth have become so intertwined that the star makers, handlers and spin doctors have become as hungry for fame as their employers.

Réality becomes show business. And it's all somehow unreal. We stop worrying about one another and worry about our ratings.

Was Ronald Reagan really the president? Or was he an actor playing the president? And does it really matter? We lose sight of the fact that being media wise isn't the same as being wise, that cynicism and sagacity are not synonymous.

And when we have truly forgotten the difference, we will have become media monsters just like Suzanne Stone.



John Hayes

The impeccable Maggie Smith in a scene from Edward Albee's "Three Tall Women."

N.Y. City Ballet Spins Through Its History

By David Stevens
International Herald Tribune

PARIS — The New York City Ballet is at the Théâtre du Châtelet for a densely packed couple of weeks, with a repertory that amounts to a selective catalogue of the company's history, from George Balanchine's "Concerto Barocco" of 1941 to pieces that have entered the repertory in the last few months.

But the nucleus of this visit, the first to Paris in six years by the company, can also be seen

as a mini Jerome Robbins festival. Seven of the 16 ballets the company brought are his, several of them not previously seen here, and two of the programs are all-Robbins.

In "Two- and Three-Part Variations," which entered the company repertory only last January, Robbins is back in the world of Bach keyboard music that he visited almost a quarter-century ago to produce the monumental "Goldberg Variations."

But the atmosphere is different in this dance for four men and four women, presented in this dance for four men and four women, presented in

different combinations for the ballet's 12 sections. (The ballet's premiere was actually given last year by pupils of the company's school.)

There was rich inventiveness in the matching of musical and dance structures and a freshness and humor that partly hid the demanding precision of the partnering. Nancy McDill, stationed on the apron at stage right, was the excellent pianist.

In "Antique Epitaphs," the atmosphere was all feminine, gossamer (in Florence Klouz's film costumes and Jennifer Tipton's pastel lighting) and Sapphic, but the sequence of dances had the same high level of poetic inventiveness. Hélène Alexopoulos, Lourdes Lopez, Wendy Whelan and Diana White were the four principals. In Debussy's "Syrinx," which with his "Six Epigraphes Antiques" made up the ballet's music, the Lamoureux Orchestra's flute soloist, Jean-Loup Grégoire provided much of the pleasure.

The other two ballets on the program showed Robbins in his Broadway-Hollywood mode. "Gershwin Concerto" fizzed with 1920s jazzy vitality in the movements of the corps. The Concerto in F got a solid reading from Gordon Boeckner conducting and Richard Moredock the piano soloist.

It takes some nerve to begin a ballet with a film strip of Fred Astaire and Rita Hayworth dancing, as Robbins did for "I'm Old Fashioned," but he gets away with it in this lavish homage to Astaire, with Morton Gould's clever "Astaire Variations" as the musical support.



Marie-Nicole Robet

The other all-Robbins program, beginning Wednesday, pairs the "Goldberg Variations" with "Watermill" (1972), a reflective work about the seasons of life and partly defined by its Japanese theater atmosphere and music. "Watermill" was not particularly well received at first, but has become a classic in the meantime.

The gala opening program included two Balanchine classics. "Concerto Barocco" and "Symphony in C" (first choreographed as "Palais de Cristal" for the Paris Opéra Ballet in 1947) got fine performances, with the final movement of the Bizer "Symphony"

danced, as usual by the New Yorkers, at breathtaking speed.

The new generation of choreographers was represented by the second movement of Peter Martins' "Barber Violin Concerto" and Ulysses Dove's "Red Angels."

Martins, now the company's principal balemetmaster (i.e. artistic director), matches Samuel Barber's ultra-romantic music with a glowing pas de deux for Darci Kistler and Jock Soto.

Dove's ballet is a theatrically energetic piece for two couples, separately or together as a quartet. Richard Einhorn's "Maxwell's Demon," a percussive piece for electric violin — played with virtuoso aplomb by Mary Rose — is the music, and Holly Hynes' red leotards bathed in Mark Stanley's red lighting set the visual ambience. Alexopoulos, Whelan, Albert Evans and Peter Boal were the exciting quartet of dancers.

By Sheridan Morley
International Herald Tribune

LONDON — As if to prove that we, like Broadway, now also have a theatrical season starting in October, an amazingly rich week for stargazing from the stalls: Maggie Smith, Lauren Bacall, Judi Dench, Sian Phillips and Patricia Hodge all in new productions, though the men have had a rougher time, notably Mark Rylance out at Greenwich whose "Macbeth" drew the worst reviews since the Peter O'Toole fiasco 15 years ago.

The trouble this time is not a lack of ideas, but too many of them. Rylance starts the show, of which he is star and director, by arriving on stage with Banquo in a beaten-up jalopy, confronting the witches in heavy American accents, like backwoods men suddenly faced with a flying saucer. It gets worse. Duncan is a guru running some kind of suspect cult. His followers seem to be largely Indian, though Jane Horrocks as Lady Macbeth has a kind of Home Counties uneasiness vaguely reminiscent of Sarah Miles going to meet the Maharishi Mahesh Yogi at some point in the Swinging Sixties.

The trouble this time is not a lack of ideas, but too many of them. Rylance starts the show, of which he is star and director, by arriving on stage with Banquo in a beaten-up jalopy, confronting the witches in heavy American accents, like backwoods men suddenly faced with a flying saucer. It gets worse. Duncan is a guru running some kind of suspect cult. His followers seem to be largely Indian, though Jane Horrocks as Lady Macbeth has a kind of Home Counties uneasiness vaguely reminiscent of Sarah Miles going to meet the Maharishi Mahesh Yogi at some point in the Swinging Sixties.

None of this would much matter were Rylance not about to open Shakespeare's Globe in Southwark, an appointment that explains why such heavy guns have been fired on what would otherwise just be written off as a "concept" gone horribly wrong. It is not after all as though Greenwich is exactly famous for giving great Bard. But Rylance has already promised that he won't direct at the Globe, and as an actor he has already proved himself, so let's just put this one down to experience, even though it's not one I'd care to repeat.

Better news at Wyndhams,

where Maggie Smith is back in Edward Albee's chillingly brilliant "Three Tall Women," now with a much stronger cast (Samantha Bond, Sara Kestelman). As Albee acknowledges, you'll never see it better and nor Dame Maggie either.

"Whipped cream with knives" was what its first director, Hal Prince, called "A Little Night Music," and the new production by Sean Mathias at the Olivier gives carefully equal emphasis to the choker and the cutting edge. This particular Sondheim has been seen twice in the West End since it opened in 1973, and it is the third Sondheim to have formed a

LONDON THEATER

part of the National's musicals program in recent years. It might, therefore, have been better to try something a little less familiar this time.

But we're unlikely ever to get a better cast, at least on the female side: Judi Dench sending in the clowns, Sian Phillips re-creating her liaisons and Patricia Hodge as the increasingly unbalanced countess are all definitive, leaving their menfolk (Laurence Gittard and Lambert Wilson) struggling to keep up. But this is always the show stalled at the final curtain by the maid who sings of marrying the miller's son, and here too Issy van Randwyck fulfills all hopes. Mathias has come up with a commendably ungimicky re-

From the moment the first bankrupt citizen starts to buy a pair of new shoes we know what is to happen, though Durrenmatt never knows what he wants in place of suspense: but thanks to Bacall this remains a star-powered evening of regret and recrimination. It brings to a close Duncan Weldon's first triumphant Chichester season, one which seems already to have given London more transfers than the rest of the nation put together.

SHORT CUTS

• BOBBY MCFERRIN, "Paper Music" (SONY): Coming from their oral tradition, African musicians call black shorthand symbols on lined white paper "paper music." Like Keith Jarrett playing Bach, it is an agreeable surprise that McFerrin proves to be so good at it. One of the most distinctive vocalists on the planet, he has in the past teamed up with Chick Corea, Yo-Yo Ma, Meredith Monk and the Muppets. Then he learned how to wield a baton and was appointed creative director of the Saint Paul Chamber Orchestra, which he conducts here. His voice replaces solo instruments from time to time. Works by Bach, Vivaldi, Mozart, Faure, Tchaikovsky and Stravinsky.

• OKUO KANZA, "Wapi Yo" (BMG): With enough charm, lightweight can be unbinding rather than trivial. A soaring velvet voice sings 14 songs in three languages in a sort of chamber folk setting. Kanza was born in Zaire and studied classical guitar at Kinshasa University. He has participated in albums by Manu Dibango, Youssou N'Dour, Papa Wemba and Ray Lema. Points of reference include West Africa, Brazil, Jamaica and Memphis.

• MINGUS BIG BAND, "Gunslinging Birds" (Dreyfus): Disciples of past seminal musical figures rarely restore colors so refreshingly and persuasively (Glenn Gould's Bach comes to mind). Like back in the halcyon days of the Thad Jones/Mel Lewis Monday night band in the Village Vanguard, New York's finest are donating one night a week to playing music for love not money.

The Mingus Big Band has been a Thursday night fixture in New York's Time Café for four years and the reserve of replacement players keeps growing. The combination of star alumni and talented newcomers adds up to at least three championship teams, each with a take of its own.

Produced by Charles's widow Sue Mingus, this album was recorded in Paris and features, among others, Kenny Drew Jr., piano, Randy Brecker, trumpet, Frank Lacy, trombone, Craig Handy, saxophone, and Andy McKee, bass. Material includes "Reincarnation of a Lovebird," "Fables of Faubus" and "Gunslinging Bird." The jacket photograph portrays our immortal, intrepid Gunslinger wearing a Pancho Villa moustache, a sombrero, a knife and a cartridge belt. Olé!

THE WHOLE STORY. HALF THE PRICE.

The International Herald Tribune, All the news, views and features from around the world, as they happen. Subscribe, simply mail or fax the coupon.

Yes, I would like to start receiving the International Herald Tribune. The subscription term I prefer is:

12 months (plus 2 free months)
 3 months (plus 2 free weeks)
 Please charge my:
 American Express Diners Club VISA
 Access MasterCard Eurocard
Credit card charges will be made in French Francs or current rates.
Card No. _____
Exp. Date: _____
Signature: _____
For business orders, please indicate your VAT No.:
(Int. VAT Number FR74732021126)
Me/Fax to: International Herald Tribune
181, avenue Charles de Gaulle, 92521 Nanterre Cedex, France.
Fax: (+33 1) 41 43 92 10
OR CALL (+33 1) 41 43 93 61
In Asia, call: (+852) 29 22 11 88;
In the USA, call-free: 1-800-828-2884
Offer valid for new subscribers only.

via the
Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Country / Currency	12 weeks +2 months FREE	3 months +2 months FREE
Austria A. Sch	4,000	48 1,800
Belgium B. Fr	14,000	48 4,200
Denmark D. Kr	3,400	39 1,850
France F. F	1,950	48 590
Germany D. M.	700	38 210
Great Britain £	210	32 65
Ireland £ IR	230	37 68
Italy Lira	470,000	54 145,000
Luxembourg L. Fr	14,000	36 4,200
Netherlands fl.	770	40 230
Portugal Esc	47,000	44 14,000
Spain Pes	48,000	41 14,500
hand delivery Madrid Pes	55,000	33 14,500
Sweden Kron	5 Kr	43 900
United States \$ US	360	38 115

* For information concerning hand delivery in major German cities call toll free 911 Germany at 01 30 85 85 85 or fax (0917) 175 41 3. Under German regulations, a 2-week free period is granted for all new orders.

Dining Out

AMSTERDAM
Restaurant Christophe
Southern French Cuisine
Best Restaurant Netherlands [P1]
Leliegracht 46 - 1015 ND Amsterdam
Tel: 02 31 23 0860 Fax: 0389 132

HAESJE CLAES
Red Dutch Cooking. Open for lunch until
15.00 hrs. Closed Sunday
Tel: 024 99 98. Reservations recommended
All night

PARIS 1^{er}
L'ESCARGOT MONTORGUEIL
The oldest bistro in Paris. Real

SPONSORED SECTION

SPONSORED SECTION

TRACKING TELECOMS

NETWORKS HELP SHRINK THE BUSINESS WORLD

ATM excels in voice, data and image, making it the ideal technology.

When computer giant Digital Equipment Corporation recently designed a new product, the process involved the close collaboration of some 53 engineers. But the individuals concerned weren't in the same building, the same city or even the same country. Located at sites in Massachusetts, Colorado, Singapore and Germany, the DEC engineers used local and wide area telecommunication networks to shoot ideas back and forth across the globe. According to the DEC chairman, Bob Palmer, networking in this way enabled the company to finish the project one year early and with 40 percent fewer people than if the team had been assembled in one building.

Intermediary redux
The need to step up work group efficiency and productivity is one of the motors behind strong growth in demand for corporate communication network systems and services in the 1990s. Further fueling the market is the desire on the part of many corporations to lower the cost of capturing and maintaining their customer base, and to weed out any intermediary organizations in the business food chain.

George Colony, president and founder of Forrester Research, Inc., in Cambridge, Massachusetts, says he can envision a time when domestic trash cans will scan used-up items as they are thrown away and automatically order replacements over wireless data links. It's already possible in the U.S. to order pizza over the Internet, and systems that automatically process supermarket check-out data to

order new stock directly from suppliers are no longer novelties.

A third driver of demand for business networking is the need to respond to the globalization of markets. This trend can be quantified in a number of ways.

One indicator is investment in foreign subsidiaries or joint ventures. According to the British telecom consultancy Analysys, in a 1994 report on strategic alliances between telecommunications companies, this activity grew four times faster than global GNP in the 1980s. Analysys also refers to United Nations statistics indicating that sales notched up by the foreign affiliates of multinational enterprises doubled, to \$4.8 trillion, between 1981 and 1991.

Voice still accounts for the bulk of corporate communications traffic, and hardly any business establishment of any size these days is without a PBX (Private Branch Exchange) or KTS (Key Telephone System). A new report from U.S.-headquartered market research concern Northern Business Information puts a price tag of \$11 billion on the combined global PBX and KTS market. Sales are slated to reach a volume of 44.2 million lines sold in 1999, generating revenues of \$14.5 billion.

Switchboards are great at shaping outside lines among a large number of extensions, and they boast a number of efficiency-boosting voice-related features such as short-form dialing, multi-way conferencing and call diversion. But switchboards are less effective in handling high-speed inter- and intra-office data traffic type growing much faster than voice.

Carole Park, marketing director at



Corporate Networks

To compete in a global market, businesses need more powerful corporate networks that can increase efficiency and lower costs. How are they accomplishing this? In this section we look at the trends, markets, technology and key players – including the new "supercarrier" telecom alliances that promise one-stop shopping.

Inside

- | | |
|---------|---|
| Page 12 | Office culture changes
Japan expands services |
| Page 13 | Switchboards head for multimedia |
| Page 14 | South Africa goes digital
LAN/WAN labyrinth |
| Page 15 | A business-to-business talk |
| Page 16 | Canadian networks go back in time |
| Page 17 | User-friendliness is the key
Spotlight on the EVUA |
| Page 18 | South Africa goes digital
LAN/WAN labyrinth |
| | Australia's infrastructure |
| | U.S. deregulation |
| | AMADEUS links travel world |
| | European outsourcing |
| | Cordless development |
| | Phoenix - unite and conquer |
| | An ITT/ETSI initiative. |

THE SLEEPING GIANT OF MULTIMEDIA AWAKES

CD-ROMs are only the beginning of this revolutionary technology.

Brace yourself for the biggest revolution in entertainment since the invention of television – multimedia communications is coming to a TV or PC near you.

No longer a buzzword for the late-night computer fraternity, multimedia – the integrated transfer and processing of information containing any combination of sound, data, video, image, text and animation – has stormed out of the labs in Silicon Valley and is being talked about in the

office suites of New York's biggest advertising agencies.

Already multimedia CD-ROMs have taken the software market by storm. Games such as "The 7th Guest" and "Wing Commander," the latter featuring "Star Wars" alum Mark Hamill, are best-sellers. In a more serious, but no less significant application, film director Steven Spielberg has chosen multimedia CD-

Continued on page 18

FOR SUPERCARRIERS, THE JURY IS STILL OUT

Outsourcing can offer one-stop shopping, but services need to expand.

Having formed themselves into the industry equivalent of opposed and armed camps, teams of heavyweight telephone companies are now battling it out for the hearts, minds and telecommunications budgets of the planet's leading multinational enterprises.

For a fee, the "supercarrier" alliances propose to take the strain out of constructing and operating complex cross-border corporate telecommunications networks. Some big-time users have already bought the deal; others have serious misgivings about bonding with telecom companies, many of which in the recent past have appeared unable or unwilling to provide advanced corporate communication services.

Supercarrier alliances are a conse-

quence of the abolition of former national telecommunications monopolies. Faced with growing competition for their "birthright" businesses, the more active operators are seeking compensatory revenues from servicing the needs of multinational corporations. One offer is one-stop shopping, a single point of contact for provisioning, installation, service, consolidated billing and outsourcing. Outsourcing can involve the carrier partnership in the hands-on, round-the-clock operation of its client's private network.

Ultimately, says British telecommunications consultancy Analysys, the supercarrier strategy is to parlay such specialized multinational business products into global branded services

Continued on page 15

We help you grow

ALCATEL

Come and see us at Hall 4 - Stand 320

SPONSORED SECTION

SPONSORED SECTION

TRACKING TELECOMS**CORPORATE NETWORKS****TAILOR-MADE SERVICES SUIT EVERY OFFICE - REAL OR VIRTUAL**

Thanks to some revolutionary innovations in office technology, a top-notch firm no longer needs a "good address" and a mainline image in order for business to thrive.

The proliferation of telecom services has brought dramatic changes to corporate offices. In the way that modular furniture redefined office interiors by providing mix-and-match possibilities, a wealth of equipment and services is now being combined to fit the unique needs and personality of each company.

In part, the impetus for change has derived from the evolution of businesses from goods producers to service providers. It has also been

inspired by the new, global nature of corporate activity that requires far-flung units to be welded into a single organism.

New office nexus
Networked computers webbed by telecommunications lines form the nexus of the new office. Major companies use LANs (Local Area Networks) and WANs (Wide Area Networks) to link their various components, enabling executives to share administrative, design,

marketing and manufacturing information, and erasing the boundaries between what were once independent functions. The day of the autonomous branch office has ended.

Redefining real estate
Our individual PCs are filled with word processing, presentation, database exchange tools and database applications," says James Harvey, vice president for services of Alcatel, a wholly owned Alcatel subsidiary that handles communications and linkages for the parent company. "LAN links them and WAN enables personnel to share information with others in the system. We also use mobile phones and videoconferencing to link 125 major sites."

Like many large companies, Alcatel uses the Internet for internal communications, providing e-mail, voice mail, faxes, on-line transaction processing, electronic data exchange and other capabilities. ATM, ISDN, groupware, call centers, and other technologies

enhance this muscle. Companies can choose from among hundreds of services, piecing together a system that best suits their purposes.

Redefining real estate
The advantages of tailor-made offices are legion. "You no longer have to be in the center of the city where the most expensive real estate is," says Dan Mapes, President of Synergy Labs.

"In a networking environment, your size isn't related to the building; it is relevant to the size of the pipe, the server, the speed of the links and the size of the database. Your buildings are made of bits and bytes instead of bricks."

"Messaging cuts decision-making time," notes Mr. Harvey. "In a normal office, a document is created and then couriered to another executive for comments. It then goes to a third for modifications and then back and forth several more times, eating up a lot of valuable time. With messaging, we

can do it at the speed of the network. Personalized services enable us to handle increased business volume without increasing staff. It also allows us to put more people into the loop and get a wider range of input to create a better product. We usually have a short lead time to finish something, so with more people participating more quickly and at less expense, we are more efficient."

Redefining office culture
The tailoring and the technology are also changing corporate cultures. "The way companies used to define themselves - this is what we do - is obsolete. We see a company as a gathering of people, resources, equipment and, most importantly, values," says Mr. Mapes.

"With new technology, personnel have become more independent. People at the line level have the ability to make decisions they used to have to go to a higher level. "ATM is exactly the solution we need to increase bandwidth. In computing,

el to get authority to make," said Jack Tilbury, vice president of Network Systems at Alcatel N.A. in Richardson, Texas.

"Our people are growing because of the need to take on more responsibility. Moreover, with the team approach, organizational hierarchies have become flatter, with a less vertical management structure."

Tracking trends
Where is the tailor-made office headed?

"The trend toward telecommuting will continue to increase," says Mr. Tilbury. "Europe is somewhat behind the U.S. in this regard, but that is changing. The European Union is encouraging it because it enlarges the workforce."

"Five years from now, I think we will see wide-scale deployment of frame relay technology," says Alcatel's Mr. Harvey.

"ATM is exactly the solution we need to increase bandwidth. In computing,



Videoconferencing terminals help companies bridge distances.

ALCATEL

ing and Web access. We will also see the portable telephone with wireless access to computers. Groupware will improve to make it easier to share information."

Steve Van Beek

Mobility

IN THE BUSINESS ENVIRONMENT, mobile communications have two distinct domains, although technology is now tending to blur the demarcation line between the two.

On-site and in-office mobility is provided by data-predominant wireless LANs (Local Area Networks), single cell-site paging, walkie-talkies and a variety of cordless switchboard products. Two of the big attractions of the latter are the fact that more incoming calls find the desired correspondent the first time around, and the hefty cost of office phone rewiring to accommodate staff relocations is greatly reduced.

Wide area mobile business applications are supported by cellular telephone networks, public paging services and private mobile radio. Generally, such systems allow firms to keep in constant contact with the mobile members of their staff.

In recent years, wide area business mobility has been the subject of a number of refinements. One, sometimes dubbed "private wire," involves running a dedicated link from the nearest cellular base station into the corporate PBX (Private Branch Exchange); this allows on-the-road mobiles to function as quasi-PBX extensions. And, in a development pioneered in Finland, office switchboards are being replaced in their entirety by switching equipment that is actually part of public cellular telephone exchanges. In this way, the mobile becomes both cellular telephone and regular PBX extension.

Terrestrial and satellite-based wide area mobile data networks are also increasing in popularity. Here the bonus is higher worker productivity and better management control in many business sectors.

John Williamson

JAPAN GAINS GROUND IN INFORMATION SERVICE NETWORKS

Getting off to a slow start has not hindered the country from expanding its technology. The services offered are increasingly diverse, and competition is increasing.

Companies in Japan, like companies everywhere, are looking for better ways to communicate. For some businesses, this means more efficient and less expensive ways of communicating among offices in different parts of the country and abroad. Other firms may need access to information from outside organizations.

Many companies are turning to telecommunications carriers that provide electronic mail, e-mail services and systems integration services. There were some 1,500 carriers of this type in Japan as of January 1994, according to the Ministry of Posts and Telecommunications.

Companies in need of advice and network management often go to their own affiliates

or telecommunications firms, says David Farber, a professor of information science at the University of Pennsylvania.

For instance, major manufacturers like Fujitsu, Hitachi, IBM, Matsushita and Mitsubishi operate value-added networks for the exchange of voice, data and complex information.

U.S. connection

In the area of information technology, there are some 5,200 companies in Japan. Some 250 firms capture half the business in this field - including data management and consulting services. They help companies set up communications networks and decide, for example, what are the best ways for data to

be transferred through the system. One American-based company, EDS (Electronic Data Systems), is busy working with one of Japan's biggest retailers, JUSCO, to set up a better communications network for its computers. (JUSCO, also known as the Aeon Group of Companies, is the parent company for the Talbots stores in the U.S. and Laura Ashley in Britain.)

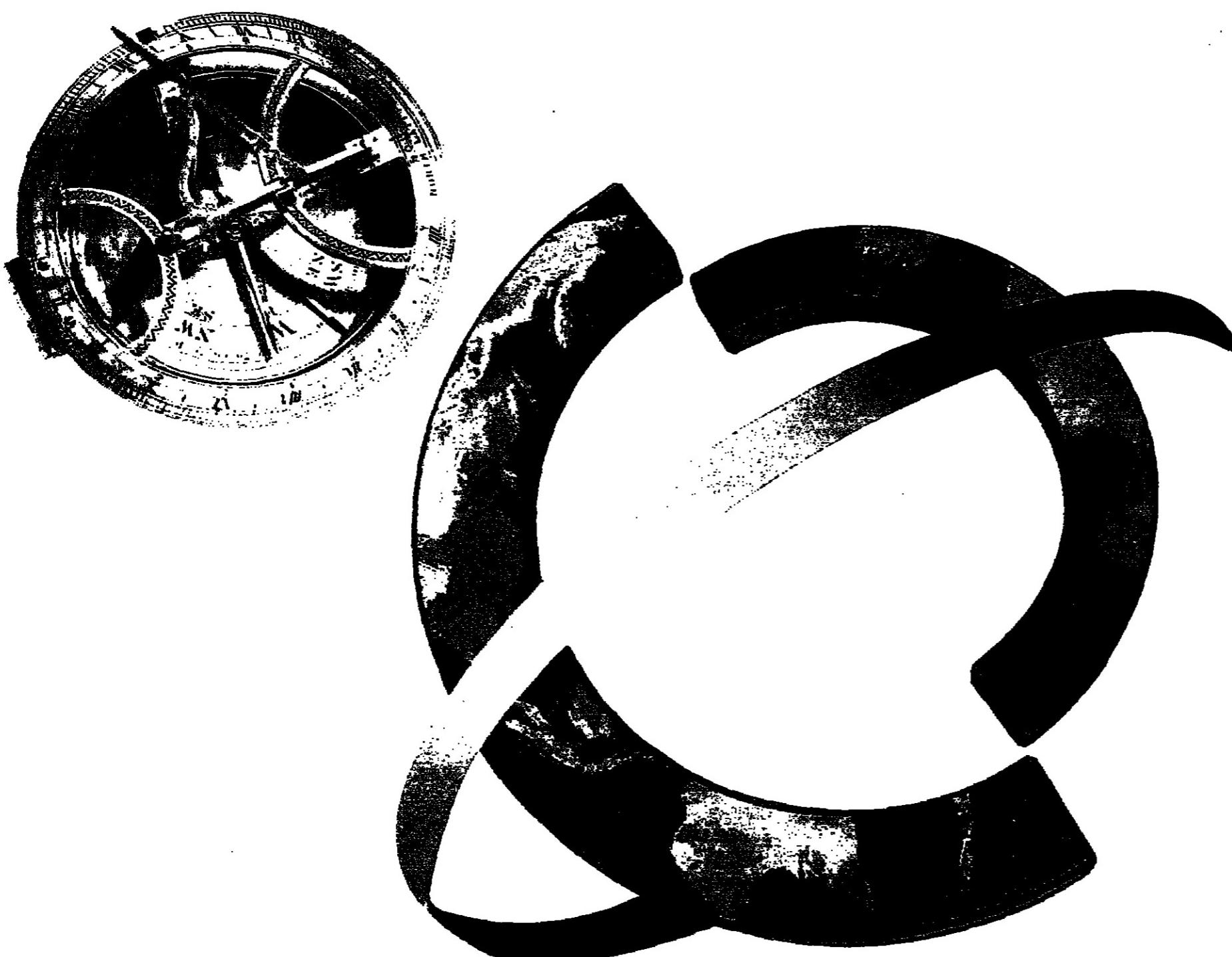
The system is designed to link computers at 180 NUCLEUS shoe stores across eastern and northern Japan. It is based on a client/server configuration, not mainframe computers. Information is being passed among the stores on a private telecommunications network leased from national carrier NTT (Nippon Telegraph and Telephone).

EDS's compensation for the project will depend in part on improvements in business performance generated by the new information system. This may have been a first in Japan for a deal between a corporation and a firm hired to manage its information networks.

Computers and other communications tools are quickly gaining popularity in Japan, after what some say was a slow start, especially in the business sector. This means that demand for corporate network management services could boom in the next few years. Competition could become even fiercer, and the services being offered could go through a period of extensive diversification.

Janet Purdy Levaux

With this, merchants profited from trade networks around the world.



Nortel's experience helps you do the same.

- For over 500 years, the most important single step forward in world trade was a magnetized needle.
- With it, explorers mapped vast new continents, opening the way for centuries of ocean borne trade.
- Then came modern telecommunications. And the new, electronic trade routes were created.
- In the fiercely competitive telecom markets of North America and around the world, Nortel (Northern Telecom) has devised and driven forward the technology that makes a world of networks possible.
- So that now, in over 100 countries on 7 continents, we're helping more businesses than ever make money through communication.
- How about yours?

NORTEL
A World of Networks



SPONSORED SECTION

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, OCTOBER 4, 1995

PAGE 13

TRACKING TELECOMS

SWITCHBOARDS SEEK NEW HORIZONS TO STAY CURRENT WITH CUSTOMERS

CTI, networking and wireless are today's hot topics – and true broadband multimedia is tomorrow's.

Reflecting the current predominance of voice communications in corporate networks, telephone switchboards are now almost as ubiquitous in business offices as filing cabinets and photocopiers.

In some markets, however, the PBX (Private Branch Exchange) business is beginning to lose its bloom. The fact is that in Western Europe, North America and Japan, most would-be switchboard purchasers already have one or more switchboards, and a large percentage of sales is for replacements. Added to this,

many machines are overfeatured for their particular applications, a circumstance that tends to inflate vendor costs. Meanwhile, network operators are keen to get in on the switchboard act by offering Centrex, a PBX-like service run on spare capacity in the dial-up telephone network.

The CTI bridge

In locations where the market is approaching saturation, PBX and KTS (Key Telephone System) vendors are forced to discount vigorously to maintain or gain market share. They are also

having to develop new applications and refocus their core business strategies. It's no longer enough to simply sell CPE (Customer Premise Equipment): now vendors must provide integrated corporate solutions. "CTI [Computer Telephony Integration], networking and wireless applications are the hot areas at the moment," says an NBI spokesperson, "with true multimedia to follow."

CTI involves creating a bridge between the data processing and voice worlds to create customer services environments in which, for example, data relating to calls in progress can be automatically displayed and manipulated during the course of a conversation. Other applications of CTI are voice processing, automatic call distribution and sophisticated call management.

Double-edged sword

In reality, CTI is something of a double-edged sword for traditional PBX vendors. Alliances in this field between telecommunications manufacturers and computer hardware and software vendors have become the norm. Now some observers speculate that companies such as Microsoft and Novell could dominate the CPE industry in the future.

This possibility is rejected by PBX vendors such as Nortel.

"There is a lot of business in CTI for software companies, but it also enhances the value of the PBX," argues Chris Brownlee, Nortel director of marketing for private switching. "The fact that software vendors are making money out of this

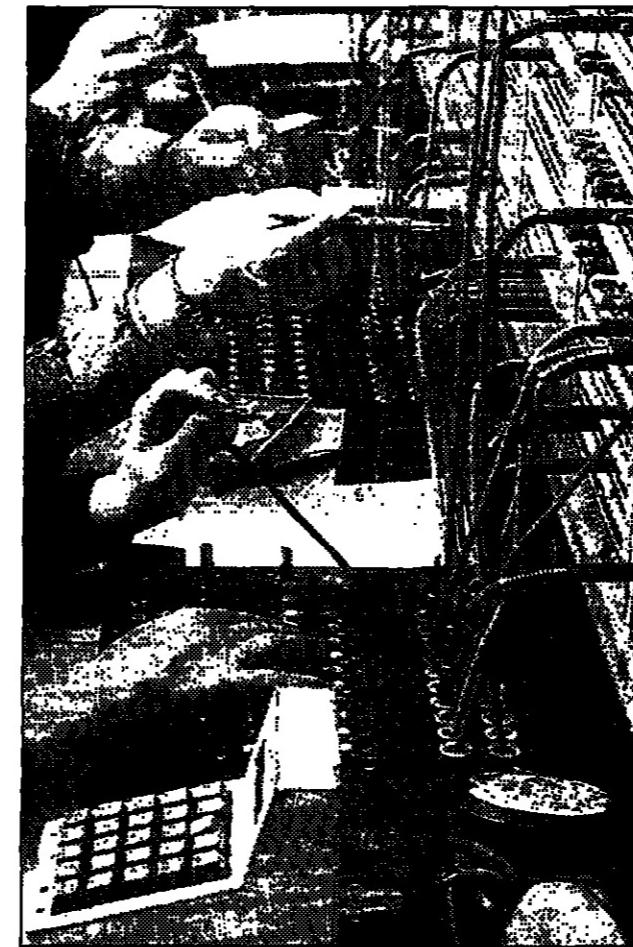
doesn't detract from our business at all – it adds to it, I believe."

Regional standards

Networking PBX features across wide-area distances has many operational advantages for business concerns. In the past, there has been rivalry among switchboard vendors promoting different standards to facilitate enterprise-wide access to the ISDN (Integrated Services Digital Network) features commonly available on top-end switchboards. This is now less of an issue as vendors move toward regionally standardized solutions to facilitate the interworking of machines from different manufacturers. Nevertheless – as Peter Hamberg, technical director of the European Telecommunications Standards Institute, points out – "there may be problems when, let's say, you have a corporate network partly using public facilities and public network signaling systems which are not always automatically transparent to private network signaling systems."

Thanks to growing customer awareness of the benefits of cordless working and falling extension prices, wireless switchboards are poised to make the transition from bit part to lead player in office voice systems.

In Europe, Philippe Le Porte, marketing engineer with Alcatel Business Systems, characterizes 1995 as the year people with high mobility started to embrace cordless PBX technologies in a big way, and the following two years when those with a more limited mobility requirement will



DIRECT TO DIGITAL IN SOUTH AFRICA

The Phone Shops provide traditional office services.

Instead of waiting for the business to come to them, South Africa's Phone Shops are taking the phone network directly into the townships. Result: a one-stop shop for the one-person firm in need of a corporate network.

With less than one telephone per 100 subscribers on average, and far fewer in the townships, South Africa is racing to close the communications gap by going direct to digital with GSM (Global System for Mobile Communications).

The government's Reconstruction and Development Program, introduced after the 1994 elections, calls for a massive expansion by the year 2000. The overall target is an average density of 20 telephones per 100 inhabitants. In the most deprived communities, the priority is to install at least 10 lines per 100 inhabitants. The problem is how to get them there.

Grassroots action

Enter the Phone Shop, an immediate solution developed by Alcatel's South African subsidiary Altech Telecoms and mobile network operator Vodaphone. The Phone Shop, a self-

contained mobile unit, arrives complete with up to 10 telephone sets and an operator's console for connecting local, trunk or international calls via Vodacom's GSM cellular network. Customers pay in advance, call costs are clearly displayed and the entire operation is managed by a local franchisee.

In addition to voice, fax and photocopying services for local business, Phone Shops also provide a powerful focus for further grassroots action. The Community Information Centre initiative, for example, is closely linked to the Phone Shop program and involves using fax, computer and modem links to feed in information on job opportunities, training programs and electronic banking services.

According to a recent issue of Computing South Africa, the first phase of cellular telephone installations in the townships directly created more than 500 jobs.

"I'm crossing my fingers," says Quincy Kekana, a teacher turned telephone entrepreneur in Evasion, his home township. "Soon I will be able to bring more telephones to this community where I grew up."

Steven Bartlett

"CORPORATE NETWORKS"
was produced in its entirety by the Advertising Department
of the International Herald Tribune.
Writers: Steven Bartlett and Joel Strate-McClure, based in France;
Tim Harper, Janet Purdy Levaux and Steve Titch, based in the
United States; Fred Langan, based
in Canada: Annie Turner and John Williamson, based in
the United Kingdom; and Steve Van Beek,
based in the United States and Thailand.
PROGRAM DIRECTOR: Bill Maher.
TOMORROW'S SECTION: Mobile & Wireless Communications.

VSATs

SATELLITE COMMUNICATION NETWORKS providing links through Very Small Aperture Terminals installed on company premises have enjoyed double-digit growth rates in North America since the late 1980s. Such networks are now becoming big business elsewhere, particularly in Europe, South America and the Asia-Pacific regions.

The terrestrial portions of VSAT networks comprise a central master earth station, or "hub," and a number of geographically dispersed VSAT installations that can be in one or several countries. The hub is usually connected to the user's mainframe computers. In some VSAT networks, the hub has mechanisms that can route data from any point in the network to any other point. In this case, the network operator can reconfigure, monitor and troubleshoot the whole network from the hub.

The space portion of such a network, supporting links between the hub and the remote VSAT installations in any particular location, is provided by satellites in geosynchronous orbit.

A completely private VSAT network is probably cost-effective for enterprises needing to communicate with 200 or more remote sites; smaller organizations can get in on the act by sharing hub facilities with other users. J.W.

Tracking Telecoms

During Telecom '95 (Geneva, Oct. 3-11, 1995), the International Herald Tribune will publish a Special Report followed by seven Sponsored Sections in its worldwide edition.

- October 3: Telecommunications
- October 4: Corporate Networks
- October 5: Mobile & Wireless Communications
- October 6: Entertainment
- October 7: Broadband Communications
- October 9: Communications and Computing
- October 10: Personalized Services
- October 11: Network Management

Enhancing Global Standards Collaboration

Tracking Telecoms is an initiative of

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

ETSI

• sponsored by

ALCATEL

Telstra

TEXAS INSTRUMENTS

France Telecom

ERICSSON

• in association with

KTF

• and with the collaboration of

ATSC

TSACC

CCCN

TTA

TTC

IDATE

International Herald Tribune • European Telecommunications Standards Institute • Alcatel • Telstra • Texas Instruments • France Telecom • Ericsson • International Telecommunication Union • Australian Telecommunications Standardization Committee • Standards Committee ITU Telecommunications (ITU) • Telecommunications Standards Advisory Council of Canada • Telecommunications Industry Association (TIA) • Telecommunications Technology Association of Korea • The Telecommunications Technology Committee (JAT) • Institut de l'Audiovisuel et des Télécommunications en Europe.

As a complement to the print supplements, the IHT is publishing a multimedia CD-ROM called Tracking Telecoms.

A limited number of reprints of the Tracking Telecoms print sections will be published.

For a free copy, or for information about the CD-ROM, fax Bill Maher, IHT Paris, at 33.1.4143.9213, or Christopher Corbett, ETSI, at 33.9365.4716.



THE WORLD'S DAILY NEWSPAPER

Telstra

Your Australian
Telecommunications Partner



With Telstra, your Asia-Pacific telecommunications network will take on a global significance.

The effectiveness of a regional telecommunications network is dependent on an effective global network. For any multinational corporation moving into the Asia-Pacific region, Telstra's experience and understanding of the region is an invaluable asset. Telstra is one of the largest integrated carriers in the Asia-Pacific region and has a proven track record. Our success is the result of our ability to act as a bridge between a familiar business environment and the diverse cultures and economies of the Asia-Pacific. After 40 years and now in 16 countries, we have formed long term partnerships and are currently expanding our activities in Vietnam, the Indian subcontinent, Indonesia and China. Already, more than 80 multinational corporations have chosen to establish their Asia-Pacific regional headquarters in Australia, with Telstra handling their telecommunications. As your Asia-Pacific telecommunications partner, Telstra can be your connection between two very different worlds. Talk to us about your specific needs at Stand 7.317 at Telecom '95, or call Telstra in Australia from:

SINGAPORE 65161 341 • HONG KONG 800 4549 • MALAYSIA 601 800 61 003 • THAILAND 07 600 61 009 • PHILIPPINES 1 800 61 0026 • TAIWAN 0800 61 1183 • JAPAN 0331 61 630
SOUTH KOREA 02 761 14715 • CHINA 1000 559 • NEW ZEALAND 0800 42251 • OMAN 968 11 335 5963 • SRI LANKA 94 1 306529 • VIETNAM 04 225 180, 04 227 075 • U.K. +44 171 229 2328 • U.S.A. +1 415 788 9551

BESTEX MAZDO TELSTRA

TRACKING TELECOMS**FOR SUPERCARRIERS, THE JURY IS STILL OUT***Continued from page 11*

for a wider corporate audience. The consortia will also promote "away from home" services based on "smart" telephone calling cards or roaming cell phones.

New consortia
According to international information technology consultancy BIS Strategic Decisions, some \$10 billion was spent between 1992 and early 1995 in the construction of new operating entities to meet the perceived outsourcing demand.

A partial list of supercarrier consortia includes the Concert team of BT and MCI; the Canadian Stentor carrier grouping; the looser Cable & Wireless federation; the proposed tie-up between France Telecom, Deutsche Telekom and Sprint in the Phoenix consortium; and the Uniworld alliance of alliances between Unisource and AT&T-led WorldPartners.

The supercarrier sales pitch is that, due to escalating complexity, companies benefit by farming out the communications function.

"They're saying, 'We'd like to concentrate our intellectual resources and our management on our core business and not have a large part of it wrestling with where telecoms is going or investing in our own networks to ensure we're competitive,'" says Alan Rudge, deputy group managing director of BT Plc.

Added to this, outsourcing is claimed to lop between 5 percent and 20 percent off multinational corporate telecommunications bills.

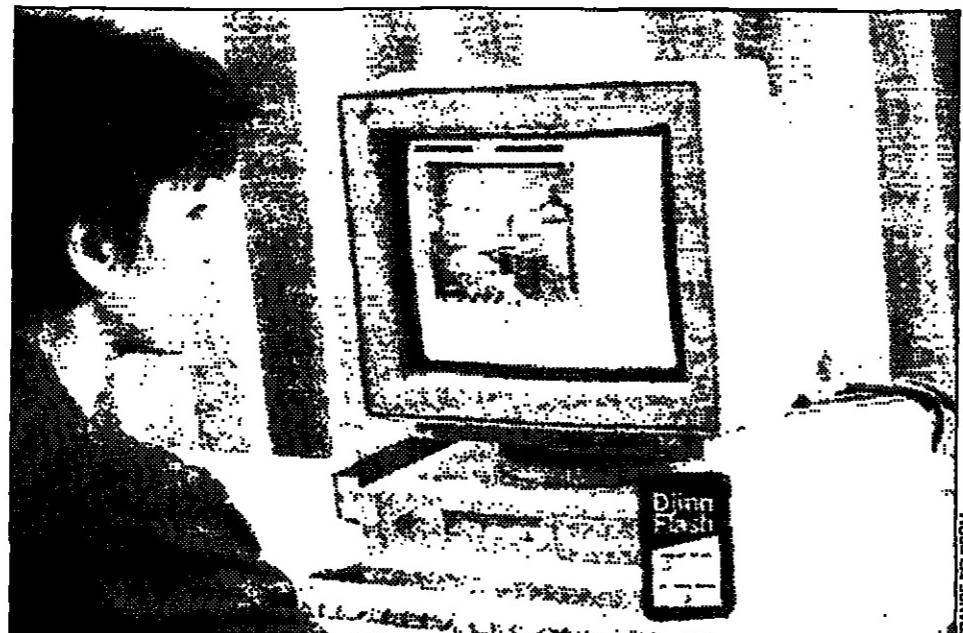
All of this may be true, but so far the majority of the big multinational corporations continue to run all or large chunks of their international telecommunications activities on an in-house basis.

Factors at work
There are a number of factors at work.

First, not everyone is convinced that the supercarrier repertoire is extensive enough to cover all eventualities, and others have expressed doubts about the core competencies on offer from some of the alliances.

"Many corporate customers lack confidence in service providers' ability to deliver, and well-publicized failures have further heightened this barrier to adoption," according to a BIS spokesperson.

Second, as noted by a new multi-client study published by the Montpellier-headquartered IDATE consultancy: "Major users prefer to play



For the time being, most multinationals are running their international telecom business in-house.

safe by employing the services of several providers, for the market is new and as yet unstable, and especially because there are very few providers who are able to present a homogeneous offering in the different countries in which the multinationals are represented."

Related to this is the fact that telecommunications is often regarded as a key element of an enterprise's production process, helping to generate added value. As such, the function is of clear strategic importance and not likely to be contracted out without a great deal of soul-searching.

Finally, telecommunications technology and global regulation are changing so quickly that the terms of contracted corporate network management could become disadvantageous to the user well before the end of the contract period.

Two appraisals
Some participants view the supercarrier scene in rather extreme terms.

"In a few years, four or five major players will be leading the market," argues a France Telecom spokesperson. "France Telecom and its partners wish to be among those major players. Nowadays, no telecommunications corporation in the world can pretend to remain a leading operator if it does not get into alliances with other carriers."

Others make a more measured appraisal of supercarrier alliances.

"In the long run, there will be little to choose between the packages of products and services they offer," states a recent report on telecom alliances by Crédit Lyonnais Securities and CLN Oyens & Van Eeghen.

J.W.

SONET & SDH

SYNCHRONOUS TRANSMISSION IS ONE OF THE telecommunications marvels of the age. Allied to sophisticated built-in network management, synchronous operation promises to lower the general cost of telecommunications service provision, boost the availability and survivability of transmission networks, and dramatically expand the range of services that operators can offer to business customers.

What brings all these benefits about is deceptively simple. In a synchronous system, all traffic is synchronized to a master clock. This means that it is much simpler and cheaper to combine, or multiplex, different traffic streams onto very high capacity links and drop off, or de-multiplex, these tributary streams at their destinations. Known as the Synchronous Optical Network (SONET) in North America and the Synchronous Digital Hierarchy (SDH) elsewhere, synchronous transmission has been standardized at data traffic rates ranging from 1.55 million bits per second to 2.48 billion bits per second.

With synchronous transmission, there is ample capacity for the network to carry comprehensive management of information. This gives much greater flexibility than is found with conventional transmission and allows, for example, operators to turn on services on a one-off or periodic basis, and for networks to automatically reroute traffic when links go down.

Synchronous transmission is also globally standardized, a consideration that, in principle, enables operators to build multi-vendor networks. This, in turn, exerts a further downward pressure on vendor prices.

J.W.

CORPORATE NETWORKS**SPOTLIGHT****The EVUA Attracts European Multinationals**

THE EUROPEAN VIRTUAL PRIVATE NETWORK Users Association (EVUA) was dreamed up two years ago by John Sales of Xerox (now at EDS) and Phil Barton of ICI Zeneca. Its aim was "to stimulate the European market for voice services outside of the monopolistic regimes of the PTO [Public Telecom Operators]," says Mr. Barton, now telecommunications strategist for Zeneca.

The EVUA is made up of multinationals based in Europe that got together to demand tailored, cheaper service from the telecom companies. The association has had a serious impact because this is the first time such big users have combined their spending muscle to make such demands – it rocked European operators to the core.

In 1993, Europe's VPN (Virtual Private Network) market was a desert, says Mr. Barton. Ten companies attended the EVUA's first meeting in September of that year. The association now has 46 member companies, and its growth shows no sign of abating. Typically, each member's total telecommunications expenditure within Europe amounts to around \$10 million annually.

After the first meeting, a list of two suppliers that could deliver in the short term was compiled: the joint tender of BT Plc., MCI and the consortium of Unisource and AT&T.

Mr. Barton says, "Over two years we have developed credible voice services, and we have umbrella agreements." These allow members flexibility in terms of service level agreements and other contractual options.

Fledgling services

Since the services are still immature, the contracts are awarded on a yearly basis, with the EVUA now looking to 1997 to develop a specification for voice and data services, within and beyond Europe, building on the existing networks. Mobile communications will also be included. The EVUA's progress has been consistent with the European Commission's thinking. Commissioner Martin Bangemann decided that closed voice user groups were not included in the monopoly of PSTN (Public Switched Telephone Services), which most European public operators will hold onto until 1998, and that closed user groups could include an organization's suppliers and customers as well as internal communications.

Over the next few years – which, due to deregulation, are bound to be turbulent – European users of all hues will take their lead from the EVUA to demand and obtain what they want at a price they are prepared to pay.

A.T.

So you think we're just a computer company.

How reliable is the rest of your information?

Sometimes perception takes time to catch up with reality. So here is reality: Unisys is not just a computer company any more.

Yes, we do still sell a lot of computers. But it's more accurate to think of us as the *information management company*.

We can help you identify, collect, analyse and direct your vital company information at the points in your decision making and customer service systems that really matter.

What this means in practice may surprise you. For example: Today nearly a third of our business comes from IT services – systems integration,

outsourcing and consulting. They are our company's biggest single source of revenue and they make us one of the largest service providers in the world. We employ 7,000 service professionals who work with clients to design creative solutions to their most pressing business challenges.

In partnership with other industry leaders such as Oracle, Microsoft, Novell and Intel – we provide a wealth of applications that keep our

clients in the forefront of emerging developments.

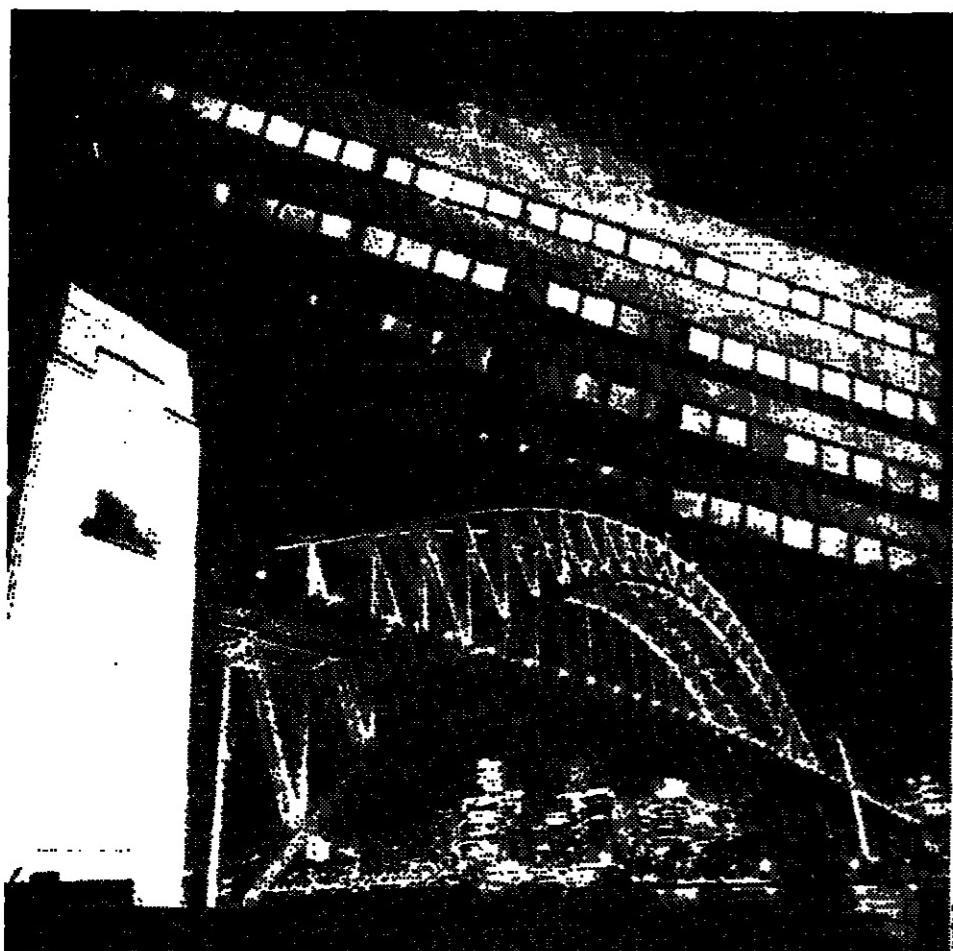
But size and numbers don't tell the whole Unisys story. As the information management company, we combine services, industry knowledge and enabling technology to transform the way our clients use information, so they can make decisions that are more effective and deliver better service.

To receive your own 'Guide to Information Management' facts kit, fax Graham Roberts on +44 1895 862807.

And start changing the way you think about a company that does a lot more than you thought.

UNISYS

THE INFORMATION MANAGEMENT COMPANY

TRACKING TELECOMS

A Sydney-based data center provides data processing for Unisys throughout the Asia-Pacific region.

NETWORKS CAN CLINCH BUSINESS IN AUSTRALIA

A well-developed infrastructure and the ability to reach several time zones make the country a good choice for international corporations.

The Asia-Pacific region has a growth rate nearly double the world average, with an estimated GDP in the year 2000 larger than that of the European Union and about the same as North America.

One of the most challenging tasks facing multinational companies today is the development of an effective presence in Asia and the choice of a regional headquarters.

"The most critical factor for success in this market is cost-effective, world-class communications," says John Nermatalla, Telstra's business development manager, global business services. "Telstra, the largest integrated telecommunications carrier in the Asia Pacific, provides a comprehensive range of telecommunications solutions, including international data/voice net-

work solutions, network management and service performance."

A magnet

Thanks to the excellent corporate network facilities available, Australia has been successful in attracting a large number of corporations, which have located some of their regional or worldwide activities there, including Philip Morris, Data General, Unisys, Ericsson, Dun & Bradstreet, transport and airline communications cooperative Sita, IBM (regional data center), Radisson Hotels (Asia Pacific reservations center), ABB (regional voice and data network), Novell (regional "help desk" facility) and Cathay Pacific (regional data center).

Since April of this year, the major share of data and

telecommunications on Ericsson Data's corporate network in the Asia Pacific region has been coordinated through a new communications center in Melbourne.

"The Ericsson Corporate Network links 50,000 employees and provides e-mail, electronic document exchange and electronic document management around the clock in all global time zones," says Bengt Bolin, Ericsson Data's president.

"This contract will provide significant improvements in quality and capacity for our customers in this region, as well as increased flexibility and substantial cost savings."

Cost-effective hub
Similar reasoning was behind Dun & Bradstreet's decision six years ago to make Melbourne the

group's regional hub and data center covering Australia, New Zealand, Singapore, Hong Kong, Japan and the U.S. West Coast.

"DunsNet directors in the U.S. saw Australia as a more cost-effective hub destination than other business centers in the regions," said DunsNet's Melbourne operations manager Tony Beshara. "Australia is also in a critical world time zone allowing us virtual 24-hour operation."

Robust and self-healing'
Mr. Beshara said the group's traditional telecoms requirement was for an X.25 packet-switched network. DunsNet included sub-rate capacity to Auckland and terrestrial links to Wellington in New Zealand, sub-rate capacity to Singapore, and 192 kbit/s capacity between Melbourne and America's West Coast. DunsNet also had a 64 kbit/s capacity to Hong Kong and Tokyo, creating a high-quality, interruption-free telecommunications look across the Pacific.

"The network must be totally robust and totally self-healing," Mr. Beshara said, "which is why we built in a back-up loop direct to the U.S.A. and why we also make use of Telstra's Switched Digital product, which provides further backup to our private network."

A Sydney-based data center provides centralized data processing for Unisys offices throughout the Asia Pacific region, including India, Singapore, Hong Kong, Taiwan, Korea and the Philippines.

"It made sense to locate our regional data center in Sydney because much of the infrastructure needed to establish it was already in place," says the Unisys Pacific region information technology group director, Colin Fleming.

Unisys runs its Asia Pacific data network via Skystream, Telstra's high-speed digital satellite service. However, with the introduction of Telstra's Lightstream digital fiber optic service to New Zealand, Unisys now runs its New Zealand traffic on the Tasman 2 fiber-optic cable. Telstra's Lightstream service to Hong Kong and the United States is carried on the company's fiber optic service between Sydney and Hawaii, linking to the fiber-optic cables of the United States, Europe and Asia.

Through Telstra's Call Plan service, Unisys staff now have seven-digit access to all Unisys offices throughout the world, reducing international call costs and improving the flexibility of its voice network.

Nigel Hopkins

FUTURE OF U.S. NETWORKS HINGES ON DEREGULATION RULINGS

Managing a network proves easier than formulating a corporate philosophy. In the meantime, companies are updating business practices to be ready for the future.

For many American corporations, communications networks present a host of strategic issues with technological, economic and philosophical implications. In many ways, the shape and function and effectiveness of a company's network will define the company and its successes and failures as it enters the 21st century.

Deregulation and new technology are the issues that dominate the immediate thinking of those who plan and manage networks for American corporations. However, the ideological issues of how networks will

be used, both internally and externally, are becoming increasingly important to managers who recognize the impact of how their employees communicate with each other and with their suppliers and customers.

Legislative effects
American corporations have been watching closely as telecommunications regulatory reform works its way through Congress this year, anticipating its effects next year and beyond.

Increased competition is expected to yield lower prices, especially for corpo-

rate networks. In contrast to long-distance carriers, most local and regional telephone companies have been relatively shielded from fierce competition, and therefore have been relatively slow to strive for lower costs, pass along lower costs to customers in reduced prices and invest in infrastructure that supports newer, faster, more flexible and more reliable networks.

That's where new technology becomes an issue. Faced with narrower, slower communications the closer they get to home, many American network man-

agers have had to scramble to keep up with whatever technology is available to allow their companies' bigger, faster, more powerful desktops to send each other increasingly large files without bringing the whole network to its knees due to overcapacity.

Technology interregnum
The patched-together network, characterized by closets full of wires and various adaptors stuck here and there like Band-Aids, has become an all-too-familiar headache for many U.S. corporations. Because technolo-

gy is changing so rapidly, few corporations are confident enough to bet that they can choose today the right network for tomorrow. Few companies want to build a new network from the ground up since the ground may shift in a few months.

Instead, many American corporations are emphasizing temporary solutions. Until the effects of deregulation are known, new standards are set and a dominant architecture emerges, many corporations are choosing to rely on switching, particularly ATM (Asynchronous Transfer Mode), often in conjunction with existing Ethernet networks, to gain speed and efficiency.

They are using routers, bridges and broaders (combined bridges and routers) to avoid traffic jams, and searching out middleware that can keep their legacy systems going and allow incremental upgrades without risking a major investment in what could turn out to be the wrong technology.

Practical philosophy
As networks and network operations become more complicated and confusing, U.S. corporations are also spending more than ever on network management, one of the fastest-growing segments of the American service corps. with sales of network management services expected to grow from barely \$8 billion in 1993 to nearly \$20 billion by 1998.

Network managers can keep networks running, but they cannot decide how the networks will be used — and that's an issue of practical philosophy that American executives need to decide.

The question is not just whether a network will be fast and reliable and do everything it's supposed to do; the question is how a company maximizes the information that is carried on a network.

For example, a network isn't being fully utilized if it can carry contracts but the company doesn't recognize the contracts as valid unless they've been signed in person and physically delivered by courier or post.

Unless and until companies find a way to deal with contracts, other legal documents, expense accounts, automatic supply procedures, debt payment and other common transactions, telecommunications networks will definitely be underutilized.

Who's in charge?
Such changes would, in a way, result in a loss of perceived control among traditional managers who don't like the idea of a computer system's automatically checking their inventories and ordering their supplies, even if it saves in warehousing costs, or who don't like the idea of letting their customers tap into their networks and check on the progress of their orders, even if it increases the efficiency and reduces the cost of customer service.

Those philosophical changes in attitude toward corporate networks are inevitable among American corporations of the 21st century, but they may be harder for many managers to accept than the changes brought by deregulation and new technology.

Timothy Harper

Tour the world of communications via the International Herald Tribune

"Tracking Telecoms: A Virtual Tour of the World of Communications" is a multimedia CD-ROM produced by the International Herald Tribune as an extension of the telecommunications megatrends published in seven Sponsored Sections during the Telecom '95 show held in Geneva.

Designed as a practical and easy-to-use guide for telecom professionals and interested consumers, the CD-ROM, which runs on PC and Mac, provides a broad range of information in an upbeat and friendly format.

Information about the following topics is available in detail:



ORDER YOUR CD-ROM TODAY!

Tracking Telecoms is an initiative of:

- International Herald Tribune
- European Telecommunications Standards Institute

Sponsored by:

- Alcatel • Telstra • Texas Instruments
- France Telecom • Ericsson

In association with:

- International Telecommunication Union • Australian Telecommunication Standardization Committee • Standards Committee T1
- Telecommunications (U.S.) • Telecommunications Standards Advisory Council of Canada • Telecommunications Industry Association (U.S.)
- Telecommunications Technology Association of Korea • The Telecommunications Technology Committee (Japan)

In collaboration with:

- Institut de l'Audiovisuel et des Télécommunications en Europe

Please send me _____ copies of the "Tracking Telecoms" CD-ROM at U.S. \$150, including postage and handling. Available November 1995. Allow 3 weeks for delivery.

Name _____

Job Title _____

Company _____

Address _____

City/Code/Country _____

Telephone _____ Fax _____

Payment is by credit card only:

Access Amex Diners Eurocard

MasterCard Visa

Card No. _____ Exp. _____

Signature _____

Company VAT No. _____
Send coupon to: International Herald Tribune Offers,
37 Lambton Road, London SW20 0LW, United Kingdom or fax: (44 181) 944 8243.

4-10-95

SAVE ON INT'L PHONE CALLS!

Call the U.S. or elsewhere and save over 50% compared to other phone companies. Kallback is on the AT&T network for unsurpassed clarity and reliability. Call from home, office, even hotels!

Per Minute Rates to the U.S.A.:

From France	\$.49
From Germany	\$.49
From Hong Kong	\$.60
From Japan	\$.48

Lines open 24 hrs!

Call: 1-206-216-1200

Fax: 1-206-216-1300

Email: info@kallback.com

417 2nd Ave
Seattle, WA 98119

the original 

4-10-95

largest computerized reservation system.

"The nature of our business has always made the pursuit of global objectives essential," says Jean Hamon, director general and senior vice president of the AMADEUS Development Company.

"System I and EDS — with its 15 percent U.S. market share — not only extend the strategy, they complete the solution — making AMADEUS today's largest global network and thus generating significant economies of scale."

Beyond airlines

As an independent system, AMADEUS Access not only enables airline sales offices and travel agents to consult a common database with the schedules of 730 different airlines, but also links them with hotels, car rental companies and other services, including — in the near future — charter airlines, ferries, tour operators and international rail services.

"Now AMADEUS Pro-Software can give the travel agent a single screen interface to the AMADEUS central system, to local travel services and events, and for integrated business applications in both the back and the front office," says Mr. Meldener.

Steven Bartlett

Some 150,000 airlines and travel agents are linked through this Europe-based computerized reservation system.

In 1987, AMADEUS set out to replace four European airlines' computerized reservation systems with a single worldwide network and thereby compete with U.S. rivals head on. This April,

with the acquisition of System One from Continental Airlines, AMADEUS took the lead in travel agency locations and international bookings. By late 1997, it will be the travel industry's

largest computerized reservation system.

"The nature of our business has always made the pursuit of global objectives essential," says Jean Hamon, director general and senior vice president of the AMADEUS Development Company.

"System I and EDS — with its 15 percent U.S. market share — not only extend the strategy, they complete the solution — making AMADEUS today's largest global network and thus generating significant economies of scale."

"In concert Network specialists are currently working on Unison, a two-year program for the full integration of System One systems and applications. By 1997, the AMADEUS Center in Munich expects to be handling up to 2.30 million transactions per year.

"With nearly 150,000 airline and travel agent terminals linked to the network, reliability is key," says IT Steven Bartlett.

SPONSORED SECTION

TRACKING TELECOMS

EUROPE IS AHEAD IN OUTSOURCING

To concentrate on their primary tasks, some companies are using a single carrier for telecommunications.

Although corporations in the United States, Europe and Asia have chosen different methods to manage their internal networks, one expanding worldwide trend is outsourcing network management.

"Outsourcing is a key trend in American business in general," says Eric Almqvist, a director of Boston-based Mercer Management Consulting. "Many U.S. corporations increasingly want to get out of network management and concentrate on their core competencies."

The network manager deals with issues ranging from reliability and security (1 percent of corporate networks are entered by ill-intended hackers) to cost management, the evolution of software and hardware product developments, and customer demand for additional services.

"American companies used to bring in different niche vendors and products to create their data networks and then have their own staff integrate all the equipment," said Lee Knoch, product marketing manager at Digital Equipment Corporation's Network Products Business Europe. "But there is a move now toward the traditional European approach, which is to have one vendor, or a single consultant or group, take responsibility for the corporate network."

One believer in outsourcing is Henkel, the German chemicals company, which chose a single carrier consortium to manage its voice and data communications, as well as long-distance and



BT Plc. estimates that 15 percent of office workers' time is spent away from their desks. Now they can circulate and stay in touch.

CORDLESS PHONES OUTGROW THEIR NICHE

More and more consumers are responding to benefits such as reduced costs and increased options.

Question: What do a Fyffes warehouse in Dublin, Ireland, the Dutch tax authorities and a Coca Cola bottling plant in Auckland, New Zealand, have in common? Answer: All three now have some of their staff equipped with cordless as opposed to fixed telephone switchboard extensions.

Mobility in office communication networks has a number of attractions. First, whether employees are collecting taxes or bottling soft drinks, cordless switchboards make it possible for them to do a better job.

"The two main benefits are better service and enhanced productivity," observes Michael Acheson, marketing director for Bay Networks for Europe, the Middle East and Africa.

This is partly because cordlessness increases the hit ratio for incoming calls.

In addition to reducing the number of frustrated customers, cordless PBXs (Private Branch Exchanges) cut down on an organization's own outgoing phone bills.

"Because fewer incoming calls fail, fewer outgoing calls are made to return messages," says Paul Verdukt, International

Sales Manager at Ericsson Business Mobile Networks in Amsterdam. "One of our customers noticed a 30 percent reduction in outgoing long distance calls as a result."

There are also hefty savings to be made in relation to ongoing office reorganization and the relocation of employees. With a typical wired PBX, such changes account for 10 percent of the capital cost of a PBX every year — a sum of \$1,000 per extension move is the norm, according to Ericsson.

High cost and low awareness

With these credentials, cordless switchboards should have hit the big time. In fact, they've remained a niche product. UK office design consultancy Morgan Lovell calculates that only 1 percent of current office extensions wander with their users.

There are a number of reasons for this low level of penetration.

One is cost. Depending on whom you talk to, wireless extensions can be between 50 percent and 300 percent more expensive than their wired counterparts. "It's still quite

expensive because of the amount of it you need to get decent coverage," says Paul Lewis, managing consultant at the PA Consulting Group in London.

Related to high cost is low market awareness of the benefits of cordless working and relatively low sales volumes.

A further obstacle has been the rivalry between different and incompatible standards worldwide. Included in the options are CT-2, championed by many companies worldwide.

Word of mouth

According to Carole Park, marketing director of GPT Business Systems, arcane debates about the merits of rival technology have tended to obscure wider appreciation of the real user benefits of cordlessness.

More recently, however, the cordless picture has gotten considerably brighter. In particular, more vendors are now spreading the cordless message, sales volumes are rising and prices are dropping. This is being helped along by the availability of cordless

SPONSORED SECTION

CORPORATE NETWORKS

ACD

ANYONE WHO HAS EVER DIALED a toll-free number has probably dealt with an ACD (Automatic Call Distribution) system. These machines are the telephone versions of air traffic control systems. So, when dialing in to order the latest little nothing from the Victoria's Secret catalogue, if you feel you've been put in an interminable holding pattern — you're absolutely right.

ACDs answer large volumes of incoming calls and route them on a first-come, first-served basis to the next available operator, usually one of many in a room. ACDs, which have been around since the late 1970s, come in various sizes to suit the number of answering operators available. The systems can generate useful reports on the average number of calls handled per hour, the average holding time for each call and the number or percentage of callers who hang up before being served.

New technologies such as CLT (Calling Line Identification) and the ISDN (Integrated Services Digital Network) have enabled corporations to chain ACDs and computers together. These days, phone number information drawn from incoming phone calls can be used to flush a customer's record on an operator's terminal just as he or she answers the call.

This often eliminates the need for a caller with a complaint or problem to have to go through lengthy explanations. On the positive side, new ACDs often mean that on your second call to Victoria's Secret or other favorite catalogue company, you only have to verify your address and credit card information when ordering.

Everything else, as they say, is on file.

J.W.

solutions integrated in the main PBX rather than provided as add-ons. One estimate by Philips is that integrated DECT PBXs are around 40 percent less costly than non-integrated ones.

Ericsson expects the cordless telephone system market to be worth \$5 billion annually by 1998. Other analyses predict that up to one-third of all business phones could be cordless by the end of the century.

As the market expands, the wireless switchboard proposition is beginning to change. A number of vendors are pioneering integrated wireless voice and data local area networks, and combined cordless office and cellular telephone products are appearing. Motorola is even developing European versions of a cellular phone that automatically switches over to become a PBX extension when the user enters a building.

That we think is a much more powerful solution than having dual mode handsets," says David Hughes, vice president and general manager of Motorola's European Cellular Infrastructure Division. J.W.

NETWORKS SHRINK THE BUSINESS WORLD

Continued from page 11

British switchboard vendor GPT Business Systems makes a distinction between PBXs, which deal with real-time voice and video communications, and LANs (Local Area Networks), which carry bursty and mostly non-real-time data.

LANs, MANs, WANs

Two types of LAN dominate the corporate communications sector, accounting for over 90 percent of the installed base. Ethernet typically has a data rate of 10 Mbit/s, although a fast version runs at 100 Mbit/s. Token Ring, a protocol pioneered by IBM, gives a data rate of 4 or 16 Mbit/s.

Many MANs and WANs (Metropolitan and Wide

Area Networks) are based on private communication circuits leased from PTOs (Public Telecommunications Operators). In general, the internetworking of data-predominant LANs over MAN and international WAN distances is more problematic than the internetworking of voice-predominant PBXs. However, the latter has its share of difficulties when users attempt to spread a full range of digital switchboard features across an entire network.

Bursts of traffic
Part of the problem with linking LANs, according to Chris Gahan, data solutions manager at dominant British carrier BT Plc., is that traffic occurs in bursts, with only

around 10 percent of total capacity being used on average.

"When LANs are interconnected over the WAN, if the wide area private circuits are configured for peak bandwidth, the WAN is very expensive," says Mr. Gahan. "If the wide area links are configured for average utilization, the WAN becomes a bottleneck, and the remote user suffers poor response times."

A new partnership of Canadian-headquartered Newbridge Networks and GPT has what it thinks is the answer in the form of a new least-cost networking system. This allows a communications manager to dimension a WAN for average utilization, automatically allocating overflow bandwidth on demand by using the cheapest available alternative network. The Infin-X solution can manage a mixture of private leased lines and public networks using technologies such as ISDN (Integrated Services Digital Network), X.25 and frame relay.

According to Colin Evans, Newbridge Network's director of product marketing, the system can cut WAN costs by up to 30 percent.

Mr. Gahan of BT Plc., however, argues that the most economic way of carrying bursty LAN traffic over the WAN is to use a public switched network. In Britain, for example, by using BT Plc.'s public SMDS (Switched Multimegabit Data Service), companies can gain a five-fold improvement in price performance over a private network solution.

Better and faster
Different WAN technologies have significantly different performance characteristics. For example, X.25 is much slower than frame relay, but it has in-built error checking capabilities that enable it to run over very poor-quality lines. Again, ISDN is suitable for voice, while SMDS is mostly used to shift high-speed data and some video traffic.

ATM is widely consid-

ered to be the foundation broadband technology on which 21st-century corporate communications networks will run. Operators like Telecom Finland are already offering nationwide ATM access.

Several factors are at work in the ATM game.

ATM's very high speed — up to 622 Mbit/s and beyond — enables it to carry all traffic types in an efficient manner.

"For enterprise networks, ATM is the best solution to aggregate different types of traffic — voice, data and image," says Michel Levy, head of ATM Product Definition and Management at Alcatel NV. ATM also supports frame relay and SMDS.

At the same time, as noted by John Roth, chief operating officer of Northern Telecom Ltd. and president of Nortel North America, the technology is being deployed on both sides of the LAN/WAN boundary.

"First, it's becoming a technology within LANs themselves, although it's embryonic at this stage. Second, it's now being used to put high volumes of traffic into fiber-optic pipes. As a result, the large communications carriers have a more efficient way of filling these pipes, enabling them to be very competitive in price."

ATM standardization work is proceeding at high speed, facilitating interoperability between different manufacturers' equipment.

True, there are some unresolved technical considerations. The biggest of these, as noted by Mr. Roth, is the lack of standards for ATM voice traffic. But the gaps in the ATM repertoire are being plugged, and industry expectations are high.

"You can argue about the speed of market development, but we know that the demand for services requiring broadband capability is growing," concludes Raymond Polle, vice president of Alcatel Bell's Network Systems Group. "The economics of ATM are so outstanding that this is clearly the way future products will go."

John Williamson



Bring your markets closer with France Telecom

International voice/data solutions

To free your information system of borders in total security while profiting from our vast range of value-added services, choose France Telecom.

France Telecom Transpac is Europe's highest density data transmission network and is connected to over 80 countries worldwide.

Leading-edge technology and round-the-clock monitoring give you the top efficiency and competitiveness you need from your information system.

For corporate networks, France Telecom also offers international voice solutions.

As your partner, France Telecom guarantees you the quality, adaptability and development potential only a world-class operator can provide.

Contact our sales representatives in :

PARIS 33 (1) 46 48 15 15 • AMSTERDAM 31 (26) 038 24 00 • BRUSSELS 32 (2) 526 06 00
BUCHAREST 40 (1) 212 03 31 • COPENHAGEN 45 (351) 29 00 00 • DUBLIN 353 (1) 475 77 11
FRANKFURT 49 (61 95) 66 98 12 0 • GENEVA 41 (22) 925 93 11 • HAMBURG 49 (40) 271 36 100
HELSINKI 358 (0) 700 665 1 • HONG KONG (852) 25 86 588 • LAUSANNE 41 (21) 648 00 88
LISBON 351 (1) 311 32 10 • LONDON 44 (1) 379 47 47 • LUXEMBOURG 352 48 48 851 • MADRID 34 (1) 563 26 53
MILAN 39 (2) 21 568 301 • NEW YORK (1) 212 332 2100 • OSLO 47 (2) 246 18 90
SAO PAULO (61) 11 652 9888 • SINGAPORE 65 734 61 58 • STOCKHOLM 46 (8) 619 31 00
(61) 3 54 10 81 11 • Utrecht 31 (30) 150 215 • VIENNA 43 (1) 504 88 550
ZURICH 41 (1) 431 50 00

France Telecom

SPONSORED SECTION

TRACKING TELECOMS**MULTIMEDIA:
SLEEPING
GIANT
AWAKES***Continued from page 11*

ROM as a means to preserve interviews, text and images on his \$60 million Shoah Project dedicated to documenting survivor testimony on the Holocaust.

But CD-ROMs are not even half the story. The industry is eagerly looking forward to the opportunity to transmit multimedia via phone lines, cable TV or both.

Then, storage devices in the form of large servers will be able to reside in the network as a communal resource for data retrieval.

The volume of data involved in multimedia communications, however, demands greater bandwidth if delivery is to be on a par with today's television and PCs.

This means the pipeline must be widened to permit more data to flow faster into homes and offices.

How fast this will happen remains the chief issue, for it involves questions of cost and technology. Based on the level of digital switching and fiber optic deployment, much of the long-haul backbone of this "information superhighway" should be in place in most parts of the developed world by the end of next year. This is largely comprised of optical fiber and switching machines that use ATM (Asynchronous Transfer Mode) technology to switch and route large amounts of data — say the content of a movie — in seconds.

Multimedia at work
Already multimedia telecom applications are finding their way into the business market.

"Videoconferencing comes to mind first," says Chuck Dvorak, technical standards director at AT&T Communications Services and chairman of Committee T1's T1A1 subcommittee. Most videoconferencing services rely on ISDN (Integrated Services Digital



Multimedia integrates any combination of sound, data, video, image, text and animation, started in the high-tech labs of Silicon Valley and is now sweeping the entire country.

Network) lines, which, with the addition of some compression technology, can transmit a suitable image with motion at about 10 to 15 frames per second. Broadcast-quality video operates at 30 frames per second.

It is the infrastructure bottleneck, the point nearest the customer, however, that awaits to be addressed. Here, build-out is much more expensive.

Right now, all over the world, carriers are experimenting with different ways that they can deliver multimedia that "last mile."

Techniques under study include a

combination of fiber optics and coaxial cable (hybrid fiber-coax), switched digital video and ADSL (Asymmetrical Digital Subscriber Line), which boosts the capacity of conventional copper lines to handle the greater amounts of information that multimedia would require. Each one involves a trade-off between performance and economy.

There may not be a "right" choice. It could come down to each carrier's decision as to what technology holds the best broadband solution.

Steve Titch

PHOENIX: INTRIGUE OF EPIC PROPORTIONS

Unite and conquer: the new alliances are marshalling their forces in order to wage opposition campaigns.

Telegovernment regulation is always a complex task, imbued by politics and vested interests. This has been highlighted in the international arena, where the biggest carriers are scrambling to form alliances so they can compete for a share of multinationals' telecommunications spends.

The most contentious of the proposed alliances is between France Telecom, Deutsche Telekom and the U.S.-based Sprint — code-named Phoenix. Adrian May, research analyst with London-based consultancy Ovum, says that although negotiations have been going on for well over a year, the situation looks no closer to resolution. The Clinton administration has expressed doubts about the future of Phoenix, and although the U.S. Department of Justice issued a two-stage consent decree in July allowing the two Europeans to acquire a 20 percent stake in Sprint for \$4.1 billion, it severely limits services to be offered by the Europeans until competition is evident in those countries.

The Justice Department is concerned that the European operators might discriminate in favor of Sprint and deny operating agreements to other U.S. carriers. Sprint described the decree as "fair and reasonable." Phoenix is also awaiting Federal Communications Commission and European Commission approval.

Opponents speak up

Both MCI and AT&T have filed briefs with the FCC, protesting that France Telecom and Deutsche Telekom should not be permitted to buy the stake in Sprint until the European state-owned monopolies open up their own markets to foreign competition. They are also worried that if the investment goes ahead, U.S. negotiators will have lost one of their best bargaining points for their talks on the liberalization of trade in services.

While these views are reasonable, it must be remembered that MCI and its partner BT (which has a 20 percent stake in MCI) are anxious to keep Phoenix out of the multinational market they are seeking to dominate themselves through their joint venture company Concert. Their strategy gained regulatory approval from their corresponding governments on the grounds that both markets are equally open to the other's players.

AT&T has its own agenda, too. It is trying to gain approval on both sides of the Atlantic for its trans-Atlantic strategy of linking up with Telefónica de Spain and the Unisource consortium. Unisource comprises the national operators of Switzerland, Sweden and the Netherlands, and AT&T seems to feel threatened by the bigger guns of the French and German operators.

Europe does not have an FCC equivalent, so the European Commission is trying to drive through liberalization of telecommunications there. Competition commissioner Karel Van Miert has lost no opportunity to spell out that the Franco-German plans would be regarded in a more favorable light if both countries would open up their markets and allow alternative infrastructures to be used before 1998.

There is certainly enormous pressure on the carriers and governments in France and Germany to do so. A formidable lineup of energy companies and other industrial conglomerates are lobbying to be allowed to use their existing networks

for the unimpeded provision of telecommunications services. Partnerships and alliances made or in negotiation with concerns within France and Germany include BT Pic., Cable & Wireless, AT&T, Unisource and Nortel.

Unlike the Americans, Mr. Van Miert is less concerned by the proposed tie-up with Sprint, since he thinks that neither Deutsche Telekom nor France Telecom is in a dominant position to address the needs of multinationals in the face of stiff competition from other consortia.

The saga is set to run and run, with all parties reluctant to compromise. Whatever the outcome, Phoenix's struggle to rise from the ashes dispels utterly any notion of telecommunications regulation as apolitical.

Annie Turner

**ATM**

ASYNCHRONOUS TRANSFER MODE PROMISES to be the base telecommunications and networking technology of the next century. Already used in specialist academic, scientific and corporate networks, and now being tried in public networks in a number of locations, ATM digitizes and splits traffic into what are termed cells, each containing 53 bytes of data, and switches them through the network at rates equivalent to hundreds of millions of bits every second.

ATM is a third-generation fast-packet data technology that has been adopted as the basis of the B-ISDN (Broadband Integrated Services Digital Network). The very high speeds at which ATM operates can translate into increased productivity for business enterprises using existing telecommunications services. The rate at which the technology functions also means that it can accommodate delay-sensitive traffic such as voice and video, which cannot normally be handled by X.25 and frame relay, the first- and second-generation packet technologies.

The higher bandwidth of ATM also enables the development and exploitation of new services that can be handled only with difficulty on existing infrastructures, if at all. Examples include real-time imaging, interactive multimedia, high-quality videoconferencing, and very high-speed LAN-to-LAN (Local Area Network) and LAN-to-WAN (Wide Area Network) connectivity.

With ATM, the network infrastructure can be independent of the services that are carried. In principle, ATM can simultaneously support voice, data and video, obviating the need to build, operate and manage discrete networks for each traffic type.

J.W.

"Being able to answer all my business calls right away gives me more spare time."

RENÉE 'T HART, Secretary to Distribution and Sales, Ericsson Business Mobile Networks BV, The Netherlands.



Think about how much time you waste on the telephone on an average working day. You call people. They aren't at their desks, so you leave a message. When they call back, you're away from your desk. And so on. At the end of the day, you find yourself working late just to catch up. We need to respect each other's time more. To make everyone more available during the working day. Ericsson researches, develops and markets digital cordless applications for public and private networks that are making communication between people more efficient. Ericsson pioneered the world's first DECT-based, multi-cell, multi-user Business Cordless Telephone System: Freeset.

Ericsson's 80,000 employees are active in more than 100 countries. Their combined expertise in switching, radio and networking makes Ericsson a world leader in telecommunications.

It's about communication between people. The rest is technology.

Telefonaktiebolaget LM Ericsson, S-126 25 Stockholm, SWEDEN.

ERICSSON

الاتصال من الأصل



Connect
at
TELECOM
'95.

IBM

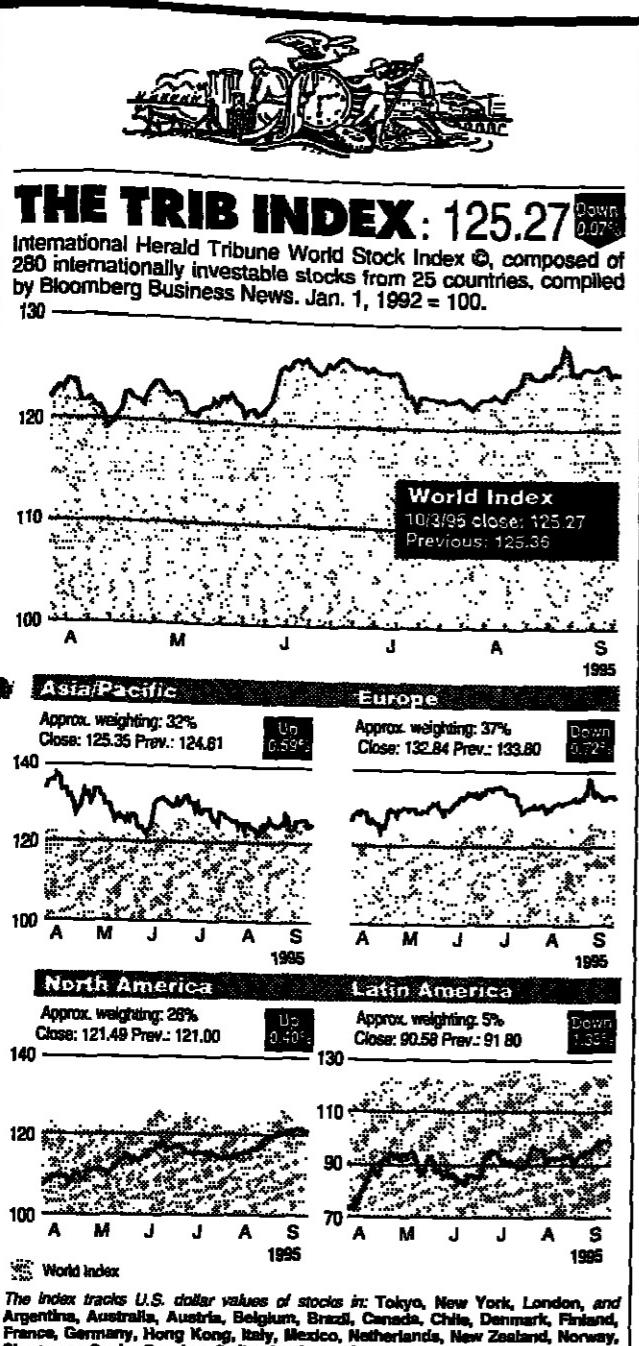
INTERNATIONAL Herald Tribune BUSINESS / FINANCE

WEDNESDAY, OCTOBER 4, 1995

Solutions
for a
small
planet

IBM

PAGE 19



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the top 20 issues in terms of market capitalization, while the ten top stocks are tracked.

Industrial Sectors							
	Total close	Prev. close	% change	Total close	Prev. close		
Energy	123.71	123.43	+0.23	Capital Goods	134.09	133.93	+0.12
Utilities	124.30	125.93	-1.29	Raw Materials	141.36	142.70	-0.94
Finance	116.98	116.77	+0.18	Consumer Goods	127.32	128.93	-0.31
Services	119.67	120.34	-0.56	Miscellaneous	140.45	141.81	-0.96

For more information about the Index, a booklet is available free of charge. Write to TRIB Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

© International Herald Tribune

MEDIA MARKETS

For Ads, Hits Miss the Mark

By Stuart Elliott
New York Times Service

NEW YORK — In the constantly changing world of interactive advertising, hits are flops. That is an important conclusion of a report examining one of the most closely watched and contentious subjects confronting advertisers, agencies and researchers today: ensuring accurate and comprehensive measurement of consumer exposure to advertisements that appear in interactive media like World Wide Web sites and on-line services.

The report, "Guiding Principles of Interactive Media Audience Measurement," was presented here this week by the Coalition for Advertising Supported Information and Entertainment.

That organization was formed last year by the Association of National Advertisers and the American Association of Advertising Agencies after such marketing giants as Procter & Gamble Co. warned Madison Avenue it needed to accelerate its efforts to understand and use interactive media.

Judy E. Black, who oversaw the report, said, "For the new media to succeed, they must offer the advertising industry acceptable measures of the advertising opportunities they deliver and a means to measure them against comparative alternatives." The relative lack of such assurances is a big reason advertising remains a minor revenue source for most interactive media.

Described as a working paper, the report called hits — which are a measure of the gross number of requests for information or files

reached from a Web site — "the least desirable level at which to measure cyberspace media."

That is because hits, though a popular form of measurement with interactive-media companies, are "a rubber yardstick" that overstates the demand for material by showing up as a form of usage regardless of whether the material is actually accessed.

"Hits" implies that the user has been exposed to the deeper material, which may never have been selected for display on the screen," the report said. Instead, it said, interactive media ought to adopt methods equivalent to those used by conventional media, which tally user information in more familiar — and more accurately measurable — areas such as demographics.

The coalition has the support of the Advertising Research Foundation, the New York-based organization that helped set standards for measuring print and broadcast media.

"We're building upon earlier work for earlier media," said Ms. Black, senior partner for new-media technologies and director for interactive development at the Bozell Inc. unit of the advertising agency Bozell, Jacobs, Kenyon & Eckhardt in New York.

Because marketers abhor a vacuum as much as nature does, more than a dozen companies, including the A.C. Nielsen unit of Dun & Bradstreet Corp., have offered methods for measuring the impact of ads in cyberspace.

"Our interactive media research committee will be looking at what all the companies do," Michael J. Naples, president of the Advertising Research Foundation, said, "but the industry will decide which measurements it will embrace and not embrace."

Source: Reuters; Lloyds Bank.

Oct. 3

Eurocurrency Deposits

Oct. 3

Dollars D-Mark Swiss Franc Sterling French Yen ECU

1 month 5% - 6% 4 - 4% 2% - 2% 6% - 6% 5% - 5%

3 months 5% - 6% 4 - 4% 2% - 2% 6% - 6% 5% - 5%

6 months 6% - 6% 3% - 4% 2% - 2% 6% - 6% 5% - 5%

1 year 6% - 6% 4 - 4% 2% - 2% 6% - 6% 5% - 5%

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

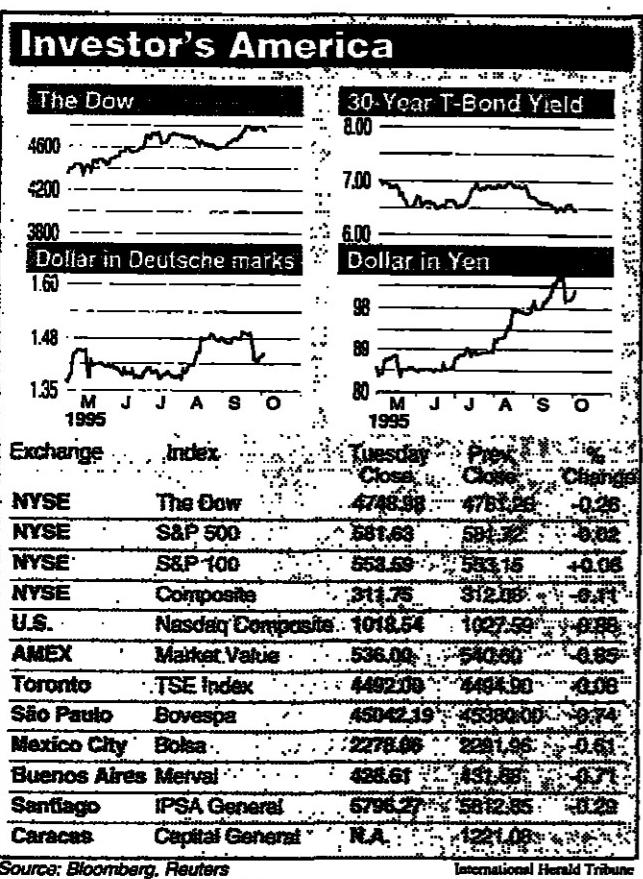
Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

Source: Reuters; Lloyds Bank.

Figures apply to interbank deposits of \$1 million minimum (or equivalent).

THE AMERICAS



By William Glaberson
New York Times Service

NEW YORK — For Newsday, the worst was supposed to be over by now.

Instead, it is becoming clear that the Long Island newspaper, often described as one of the best regional newspapers in the country, is struggling to move beyond the trauma that began with the closing of its New York City edition this summer.

The paper is completing a painful cost-cutting program, including voluntary buyouts, that led to the departure in recent weeks of more journalists than the paper's executives had predicted. Threatened layoffs were avoided, but the paper's total news staff is shrinking to 484 people from 724. That represents a cut of about 50 more jobs than Newsday expected when it closed the New York edition.

Those departing through the buyout program include top-level newsroom managers, like the foreign editor; columnists and senior reporters, like the chief White House correspondent; and some of the paper's most promising young writers.

"Psychologically, it's very debilitating" for Newsday, said one longtime manager who insisted on not being identified. "It causes people to question, 'What is the vision for the journalistic mission?'

Newsday has become a highly visible test of the theory taking hold in newspapers across the United States that sharp staff cutbacks won't affect readers. Mark H. Willes, chief executive of Newsday's parent, The Times Mirror Co., became the best known advocate of that theory when, after he closed New York Newsday in July, he ordered cuts of about 800 of Newsday's staff of 3,200 and oversaw sharp reductions at other papers the company owns.

The cuts at Newsday and other Times Mirror papers, including the Los Angeles Times and The Hartford Courant, have been adapting to changes since Mr. Willes became chief executive on June 1. David S. Barrett, editor of The Hartford Courant, said his staff was skeptical about whether his paper was still committed to serious, in-depth journalism after a buyout program reduced his news staff to 294 people from 342.

In Washington, Jim Mann, a foreign affairs reporter for The Los Angeles Times, said he had an unsettling experience this summer, when his paper discontinued its Washington edition.

Mr. Mann received a call from an aide to

put Times Mirror in the spotlight, because of its reputation for quality, when the newspaper industry is under intense pressure to improve financial performance.

Everett E. Dennis, executive director of the Freedom Forum Media Studies Center in New York, said Mr. Willes's efforts to bring savings out of his newspapers were being watched carefully.

"You simply can't produce the same thing with fewer and perhaps less talented people," Mr. Dennis said. "A newspaper is a living organism. You cut off living tissue" and "the organism will go on, but it will be scarred."

After Newsday spent what executives said was more than \$60 million for the cost-cutting moves, so many of their journalists decided to take buyouts that Newsday's managers began furiously negotiating to keep some senior staff. The editors now plan to hire new journalists to fill some of the slots left empty.

At the same time, Newsday executives said, the paper's business managers have been under orders to get the annual profit margin up to about 17 percent, the average profit margin of several large newspaper companies, from about 7 percent. The publisher of Newsday, Raymond A. Janzen, refused to be interviewed.

All of Times Mirror's big newspapers have been adapting to changes since Mr. Willes became chief executive on June 1.

David S. Barrett, editor of The Hartford Courant, said his staff was skeptical about whether his paper was still committed to serious, in-depth journalism after a buyout program reduced his news staff to 294 people from 342.

In Washington, Jim Mann, a foreign affairs reporter for The Los Angeles Times, said he had an unsettling experience this summer, when his paper discontinued its Washington edition.

Mr. Mann received a call from an aide to

put Times Mirror in the spotlight, because of its reputation for quality, when the newspaper industry is under intense pressure to improve financial performance.

Everett E. Dennis, executive director of the Freedom Forum Media Studies Center in New York, said Mr. Willes's efforts to bring savings out of his newspapers were being watched carefully.

"You simply can't produce the same thing with fewer and perhaps less talented people," Mr. Dennis said. "A newspaper is a living organism. You cut off living tissue" and "the organism will go on, but it will be scarred."

After Newsday spent what executives said was more than \$60 million for the cost-cutting moves, so many of their journalists decided to take buyouts that Newsday's managers began furiously negotiating to keep some senior staff. The editors now plan to hire new journalists to fill some of the slots left empty.

At the same time, Newsday executives said, the paper's business managers have been under orders to get the annual profit margin up to about 17 percent, the average profit margin of several large newspaper companies, from about 7 percent. The publisher of Newsday, Raymond A. Janzen, refused to be interviewed.

All of Times Mirror's big newspapers have been adapting to changes since Mr. Willes became chief executive on June 1.

David S. Barrett, editor of The Hartford Courant, said his staff was skeptical about whether his paper was still committed to serious, in-depth journalism after a buyout program reduced his news staff to 294 people from 342.

In Washington, Jim Mann, a foreign affairs reporter for The Los Angeles Times, said he had an unsettling experience this summer, when his paper discontinued its Washington edition.

Mr. Mann received a call from an aide to

After Cuts, New Woes for Newsday

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose across the board Tuesday amid expectations that the world's leading industrial nations would support it.

Monetary officials of the Group of Seven nations — Britain, Canada, France, Germany, Italy, Japan and the United States — are to gather in Washington this weekend.

"There is clearly an idea that stabilization of the dollar is important," Mr. de Sousa added.

Mr. de Sousa's comment prompted "worry there may be preemptive intervention by the G-7," said David DeRosa, a director of foreign exchange trading at Swiss Bank Corp. in New York. "After all, it's a central banker talking about it."

Masayoshi Takemoto, the finance minister of Japan, said he hoped the finance

officials would agree to maintain the dollar's recent climb against the yen.

At the least, many traders expect G-7 officials to affirm their April communiqué calling for an "orderly reversal" of the dollar's decline against other major currencies.

The dollar ended higher against major currencies in New York trading Tuesday. It rose to 1.4390 Deutsche marks, up from

1.4265 DM on Monday, and to 101.475 yen up from 100.375. It also rose to 1.156 Swiss francs, from 1.151 francs, and to 4.9580 French francs, from 4.9240 francs.

The dollar slipped against the Canadian dollar, which hit a 20-month high a U.S. dollar bought 1.3290 Canadian dollars, down from 1.3378 dollars Monday, amid predictions that a separatist referendum in Quebec this month would fail.

With expectations running high, the dollar might suffer if the G-7 fails to impress investors with its commitment to strengthening the dollar, traders said.

"If they don't come out with some statement or some action to support the dollar," Mr. DeRosa said, "the market's going to lose interest in this story pretty fast."

(Bloomberg, Reuters, AP)

Hints of G-7 Action Bolster the Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose across the board Tuesday amid expectations that the world's leading industrial nations would support it.

Monetary officials of the Group of Seven nations — Britain, Canada, France, Germany, Italy, Japan and the United States — are to gather in Washington this weekend.

"There is clearly an idea that stabilization of the dollar is important," Mr. de Sousa added.

Mr. de Sousa's comment prompted "worry there may be preemptive intervention by the G-7," said David DeRosa, a director of foreign exchange trading at Swiss Bank Corp. in New York. "After all, it's a central banker talking about it."

Masayoshi Takemoto, the finance minister of Japan, said he hoped the finance

officials would agree to maintain the dollar's recent climb against the yen.

At the least, many traders expect G-7 officials to affirm their April communiqué calling for an "orderly reversal" of the dollar's decline against other major currencies.

The dollar ended higher against major currencies in New York trading Tuesday. It rose to 1.4390 Deutsche marks, up from

1.4265 DM on Monday, and to 101.475 yen up from 100.375. It also rose to 1.156 Swiss francs, from 1.151 francs, and to 4.9580 French francs, from 4.9240 francs.

The dollar slipped against the Canadian dollar, which hit a 20-month high a U.S. dollar bought 1.3290 Canadian dollars, down from 1.3378 dollars Monday, amid predictions that a separatist referendum in Quebec this month would fail.

With expectations running high, the dollar might suffer if the G-7 fails to impress investors with its commitment to strengthening the dollar, traders said.

"If they don't come out with some statement or some action to support the dollar," Mr. DeRosa said, "the market's going to lose interest in this story pretty fast."

(Bloomberg, Reuters, AP)

WORLD STOCK MARKETS

Very briefly:

Lockheed Planning Satellite System

WASHINGTON (Reuters) — Lockheed Martin Corp. said Tuesday it had applied for Federal Communications Commission approval to build, launch and operate a \$4 billion global communications satellite system to be called Astrolink.

Vance Coffman, president of the company's Space & Strategic Missiles division, said Lockheed Martin would "vigorously" seek domestic and international partners and investors in the project, which will offer digital communications services, including voice, data, and video.

The move follows an announcement last week by Hughes Electronics Corp., a unit of General Motors Corp., that it was seeking regulatory approval for a \$3 billion, 15-satellite global communications system. Motorola Inc., TRW Inc., the International Mobile Satellite Organization and Loral Corp. all lead rival groups that are planning such systems.

• Apple Computer Inc.'s chief financial officer, Joseph Graziano, is leading a move to oust Chief Executive Michael Spindler so that the company can be sold, sources said.

• Rockefeller Center Properties Inc. decided not to sell \$10 million of stock to an investor group led by Chicago financier Sam Zell. The company, which holds the \$1.3 billion mortgage on New York's bankrupt Rockefeller Center, also asked its advisers to review a \$295-million offer by a group including David Rockefeller, the family patriarch who resigned Monday from the Rockefeller Center board; Tishman Speyer Properties Inc., and a real estate investment trust managed by Goldman, Sachs & Co.

• Dean Witter Reynolds, a unit of Dean Witter Discover & Co., eliminated up-front hiring bonuses for account executives and changed other compensation practices in response to recommendations by the Securities and Exchange Commission designed to discourage "inappropriate transactions," the brokerage said.

(Bloomberg, NYT, Reuters)

Profit Warnings Drag Stocks Down

Compiled by Our Staff From Dispatches

NEW YORK — Stocks slid Tuesday as investors questioned whether third-quarter corporate earnings would meet expectations.

Auto, chemical and semiconductor stocks led the decline.

"Everybody is worried about third-quarter earnings," said Guy Truickko, a fund manager at Unity Management in Lake Success, New York. "A lot of

technology stocks, fell 7.14 points, to 1,020.45.

International Business Machines defied the slump in technology issues, IBM stock rose 1% to 94.1%, after Lotus Development said 11 telecommunications companies would license Lotus Notes as their base platform for business data services on their networks. The services

will include Internet access. IBM bought Lotus Development in June.

U.S. Stocks

commodity prices in paper and metals have leveled off. That's going to affect the bottom line of the basic-materials companies.

The Dow Jones industrial average fell 11.56 points, to 4,749.70. Declining issues outnumbered advancing ones on the New York Stock Exchange by a 7-to-4 ratio.

Bonds rose after a report showed major retailers saw a smaller-than-expected increase in business in September, alleviating concern that brisk economic growth will spur inflation. The price of the benchmark 30-year Treasury bond rose 9/32, to 105 18/32, while its yield fell to 6.45 percent from 6.47 percent.

Companies with businesses closely tied to economic growth sank. Of the 30 stocks in the Morgan Stanley cyclical index, Motorola fell 1% to 74.7, International Paper dropped 1% to 40.4%. Alcoa slid 1% to 50.2%, while Georgia-Pacific fell 1% to 85.4%. The index fell 3.68 points, to 314.36.

After a few months' lag, the economic slowdown that occurred in the second and third quarters of this year is being reflected in weaker sales and earnings at many companies, analysts said.

General Motors and Chrysler fell after the companies reported weaker-than-expected September sales. GM finished down 1% to 45.3%, while Chrysler dipped 1% to 51.7%.

Utility shares rose as investors expected falling Treasury bond yields to lower financing costs at such companies. The Dow Jones utilities average of 15 stocks gained 1.18 points, finishing at 216.55.

Transportation stocks suffered after USAir Group said late Monday it may sell itself or form an alliance with AMR Corp., the parent of American Airlines, or UAL Corp., the owner of United Airlines. USAir shares rose 1% to 12.2%, but those of its potential partners fell. AMR dipped 2% to 6.8%, while UAL slid 6% to 16.6%.

The Dow Jones transportation index fell 28.79 points, to 1,925.23.

Shares in Bankers Trust New York fell 1% to 69.4% after a report said that eight additional customers of the bank holding company had been named in sealed documents filed in a lawsuit by Procter & Gamble regarding derivatives losses.

(Bloomberg, AP)

Markets Closed

Stock markets in Bombay, Frankfurt and Seoul were closed Tuesday for a holiday.

Jakarta Composite Index 4,665.34 Previous: 4,665.34

Bangkok SET Index 1,264.32 Previous: 1,264.32

Brussels Composite Index 463.84 Previous: 463.84

Johannesburg FTSE 100 3,205.25 Previous: 3,205.25

Singapore STI Index 1,217.82 Previous: 1,217.82

Taipei Taiwan Stock Exchange 1,200.32 Previous: 1,200.32

Montreal Composite Index 1,047.84 Previous: 1,047.84

Kuala Lumpur Composite Index 1,200.32 Previous: 1,200.32

Copenhagen Composite Index 1,047.84 Previous: 1,047.84

Madrid Composite Index 1,047.84 Previous: 1,047.84

Stock Exchange Index 791.00 Previous: 791.00

Stock Exchange Index 545.03 Previous: 545.03

Gemina Shares Dive Amid Fears Of Delay in Deal

Compiled by Our Staff From Dispatches

MILAN — Gemina SpA shares took a fresh battering Tuesday as investor alarm grew over a judicial investigation into losses by the investment company at the heart of a plan to form Italy's second-largest industrial conglomerate.

Analysts, fund managers and traders said that the planned merger of Gemina and Ferruzzi Finanziaria SpA was sure to be delayed.

Gemina shares closed down 27 lire, at 719 lire (44.6 cents), a 4 percent loss, after having

fallen more than 5 percent Monday.

A magistrate opened an inquiry after Gemina reported a \$40.7 billion lire first-half loss, with the bulk of the shortfall coming from RCS Editori, a periodicals publisher in which it holds a 95 percent stake.

Investigators are thought to be trying to establish when Gemina first knew of the mounting losses at RCS. Gemina had predicted it would break even for the year.

At the root of widespread exasperation in the Italian financial community is a suspicion that Gemina might have known of the losses when it unveiled a controversial plan to merge with Ferruzzi in early September.

A Gemina spokeswoman said the merger, through a share swap, was still scheduled to take place as planned, early in 1996.

"It's clear that the ratio of the share swap between the two companies will be affected," said Arturo Piero Ferrari, director of the investment fund Area Fondi. "That means that it will be delayed for technical reasons, since the accountants who are working out the share swap arrangements will probably have to start all over again."

Gemina has yet to say what the ratio of the stock swap will be. Traders had assumed it would be 1-to-1, but following Gemina's losses, there has been widespread speculation that Gemina shares will be worth much less than those of Ferruzzi.

"Gemina's losses will have a negative effect on the exchange ratio," said Marcello Salustri of Nomura Research in London. "It helps Ferruzzi shareholders, which are Italy's largest banks, and penalizes Gemina shareholders, which are mostly Italian investment funds."

Market watchers are also anxious that investors were given no warning of trouble ahead by RCS, owner of the Milan daily Corriere della Sera, when Gemina went through with a 1.5 trillion lire rights issue in June.

If shareholders exercise their right to opt out of the merger, Gemina must purchase their shares at the average price they traded at over the past six months, or 881 lire per share.

(Reuters, Bloomberg)

Morgan Stanley Buys Into Airline Telecoms System

Bloomberg Business News

GENEVA — Morgan Stanley Capital Partners said Tuesday it would pay \$600 million for a 30 percent stake in SITA Telecommunications Holdings NV, a new commercial unit of a global computer network owned by the world's airlines.

SITA, or Société Internationale de Télécommunications Aéronautiques, announced the formation of the unit at the Telecom 95 conference here. The company, whose network serves 600 airlines, expects sales of more than \$1 billion for 1995, said Claude Lalanne, its director-general.

"We think this company is unique in its global reach," James Hoch, executive director of Morgan Stanley Capital Partners, said.

The unit of Morgan Stanley Group Inc. will provide \$300 million in equity and work with SITA Telecommunications Holdings. It also plans to raise \$300 million in debt financing.

SITA's commercial holding company will market services to multinational corporations other than airlines. SITA already has about 200 such customers, including the Mercedes-Benz AG unit of Daimler-Benz AG and Royal Dutch/Shell Group.

(Reuters, Bloomberg)

Belgian Budget Criticized

Tax Increases Likely to Slow Economy

By Tom Buerkle
International Herald Tribune

BRUSSELS — Analysts reacted with disappointment to Belgium's draft budget for 1996 on Tuesday, saying the government was relying on tax increases rather than spending cuts to meet the deficit target required for a single European currency.

Prime Minister Jean-Luc Dehaene defended the budget, saying it met the overriding goal of reducing the deficit to the Maastricht treaty ceiling of 3 percent of gross domestic product. That was essential to keep Belgium in the running to participate in a single currency in 1999, and to reduce the cost of servicing the country's massive debt, he said.

Analysts calculated that more than two-thirds of the budget tightening would come from increased taxes, including a rise in value-added tax on most goods to 21 percent from 20.5 percent.

"That is higher than most people expected," said Ellen van der Gulk, chief economist at J.P. Morgan & Co. in Brussels. "They haven't done anything in this budget that changes the public-finance problem in a structural way."

In an acknowledgement that the measures were likely to depress the economy, a central argument of Maastricht critics, the government forecast growth would run at a rate of 2.2 percent in 1996. That is below the 2.5 percent forecast previously by the Organization for Economic Cooperation and Development.

There was no immediate reaction in markets, where the Deutsche mark remained steady at 20.563 Belgian francs and yields on 10-year bonds were virtually unchanged.

Analysts said they expected the bidding war to continue, particularly since North West Water is in the same region as Norweb, and could benefit from buying it more than the U.S. utilities would.

"This could go on for a long time," said Chris Perry, an analyst with Charterhouse Tinley Securities. "I think North West Water can afford to pay a lot higher, maybe up to £12."

Stock in Norweb rose 5 pence, to £10.83. North West Water shares fell 1 penny, to 588 pence.

Texas Energy originally agreed to buy Norweb for £1.70 billion after Norweb rejected a £1.58 billion hostile bid from North West Water earlier in September. On Sept. 28, North West Water raised its offer to £1.72 billion.

"In view of the proximity of the values of the two increased offers," the board of Norweb said, "it would not be recommended either offer to shareholders for the time being."

The increased offer by Texas Energy Partners is the latest development in a series of takeover bids for cash-rich British utility companies this year. In just the last month alone, there have been four other bids.

Hanson PLC has agreed to purchase Eastern Group PLC for £2.5 billion. Southern Co. of Atlanta has taken control of South Western Electricity, and Scottish Power PLC is fighting to purchase Manweb PLC.

On Monday, National Power PLC bid \$4.4 billion for South Electric PLC in a move that would create a combined generation-and-distribution company in England and Wales.

(Bloomberg, AP)

Austria Steel IPO Starts Well

Reuters

VIENNA — Investors snapped up shares of Voest-Alpine Stahl AG in its initial public offering Tuesday, but analysts said Austria's ability to secure domestic backing would make or break its most recent privatization.

After only a few hours on the Vienna Bourse, shares in the raw steel producer had been oversubscribed three times, Bank Austria, lead manager of the offering, said.

The subscription period, initially scheduled to last until Thursday, was closed at the end of trading Tuesday because of high demand.

But with shares set at what analysts called a "supermarket price" of 285 schillings (\$28.23), the successful flotation of V.A. Stahl came as no surprise.

"In comparison to all other Vienna stocks, the pricing is sensationally cheap," a dealer in Vienna said.

"It was priced so cheaply that it was bound to go well, at least in the short term," Felicity Smith, an analyst at Hoare Govett in London, said, adding that she had expected a share price of 300 to 350 schillings.

Peter Strahammer, chairman of the steelmaker, has said demand continued to exceed the company's production capacity.

Ms. van der Gulk was even more pessimistic, saying she would revise her 1.9 percent growth forecast downward. But Peter Praet, chief economist at Generale Bank, said economic sentiment could actually improve because the government abandoned ideas for a new wealth tax or a general levy to support the social-welfare system.

Finance Minister Philippe Maystadt said the budget did include two reforms with long-lasting effect: a reduction in unemployment benefits for families with a second income, and cuts in government payments for medicine. But he said reforms of pensions and family benefits would have to await broad welfare negotiations set for the end of the year.

By keeping the rise in overall spending down to 1 percent, below the projected annual inflation rate of 2.2 percent, the budget will cut government spending as a share of economic output to 46.6 percent from 48.3 percent. The tax burden will ease to 43.9 percent of GDP from 44.1 percent.

Assuming the government hits its deficit target, national debt would fall to 131.1 percent of GDP from 134.2 percent this year.

Although more than double the Maastricht ceiling of 60 percent, Mr. Dehaene said the budget would start a sustained debt reduction that should qualify Belgium for a single currency.

There was no immediate reaction in markets, where the Deutsche mark remained steady at 20.563 Belgian francs and yields on 10-year bonds were virtually unchanged.

Analysts said they expected the bidding war to continue, particularly since North West Water is in the same region as Norweb, and could benefit from buying it more than the U.S. utilities would.

"This could go on for a long time," said Chris Perry, an analyst with Charterhouse Tinley Securities. "I think North West Water can afford to pay a lot higher, maybe up to £12."

Stock in Norweb rose 5 pence, to £10.83. North West Water shares fell 1 penny, to 588 pence.

Texas Energy originally agreed to buy Norweb for £1.70 billion after Norweb rejected a £1.58 billion hostile bid from North West Water earlier in September. On Sept. 28, North West Water raised its offer to £1.72 billion.

"In view of the proximity of the values of the two increased offers," the board of Norweb said, "it would not be recommended either offer to shareholders for the time being."

The increased offer by Texas Energy Partners is the latest development in a series of takeover bids for cash-rich British utility companies this year. In just the last month alone, there have been four other bids.

Hanson PLC has agreed to purchase Eastern Group PLC for £2.5 billion. Southern Co. of Atlanta has taken control of South Western Electricity, and Scottish Power PLC is fighting to purchase Manweb PLC.

On Monday, National Power PLC bid \$4.4 billion for South Electric PLC in a move that would create a combined generation-and-distribution company in England and Wales.

(Bloomberg, AP)

Norweb Gets New Offer From U.S. Firms

Compiled by Our Staff From Dispatches

LONDON — Two Texas companies raised the ante Tuesday in a fight for control of Norweb PLC, the latest target in a series of takeover attempts in Britain's electric industry.

Texas Energy Partners PLC, a joint venture of Houston Industries and Central & South West Corp., said its bid valued Norweb at £10.85 per share, 10 percent above a rival offer from North West Water PLC.

Analysts said they expected the bidding war to continue, particularly since North West Water is in the same region as Norweb, and could benefit from buying it more than the U.S. utilities would.

"This could go on for a long time," said Chris Perry, an analyst with Charterhouse Tinley Securities. "I think North West Water can afford to pay a lot higher, maybe up to £12."

Stock in Norweb rose 5 pence, to £10.83. North West Water shares fell 1 penny, to 588 pence.

Texas Energy originally agreed to buy Norweb for £1.70 billion after Norweb rejected a £1.58 billion hostile bid from North West Water earlier in September. On Sept. 28, North West Water raised its offer to £1.72 billion.

"In view of the proximity of the values of the two increased offers," the board of Norweb said, "it would not be recommended either offer to shareholders for the time being."

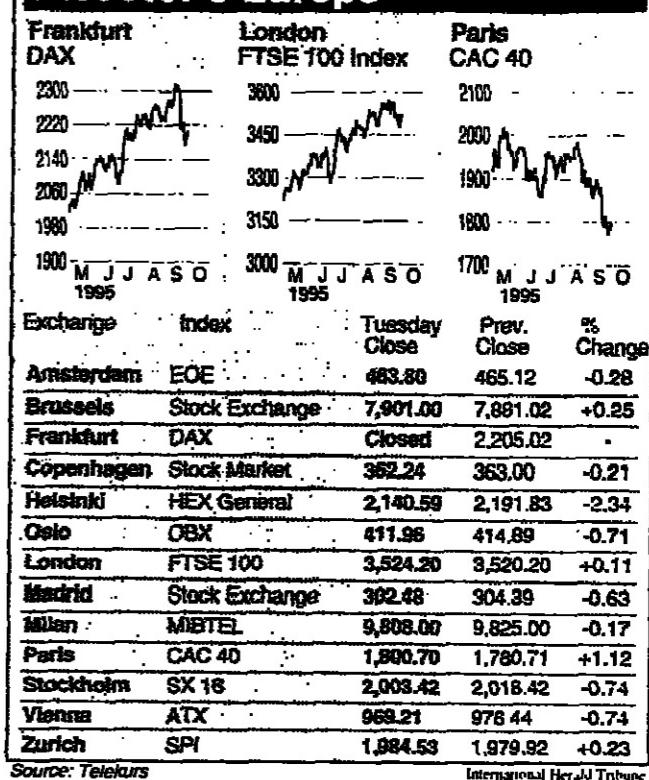
The increased offer by Texas Energy Partners is the latest development in a series of takeover bids for cash-rich British utility companies this year. In just the last month alone, there have been four other bids.

Hanson PLC has agreed to purchase Eastern Group PLC for £2.5 billion. Southern Co. of Atlanta has taken control of South Western Electricity, and Scottish Power PLC is fighting to purchase Manweb PLC.

On Monday, National Power PLC bid \$4.4 billion for South Electric PLC in a move that would create a combined generation-and-distribution company in England and Wales.

(Bloomberg, AP)

Investor's Europe



Source: Telekurs International Herald Tribune

Very briefly:

• L'Union des Assurances de Paris SA said first-half net profit fell 6 percent, to 806 million francs (\$163.2 million); the company expects its insurance business to improve but said overall results would depend on market conditions.

• Christian Dior SA said first-half net profit rose 23 percent, to 516 million francs, as sales rose 11 percent to 13.81 billion francs.

• Telefónica de España SA shares fell 5 pesetas, to 1,640 (\$13.26), as retail investors sold to lock in profit from a discount given by the government in its recent sale of 12 percent of the company. Retail buyers only paid 1,615 pesetas, compared with 1,637 pesetas for institutional investors.

• Iberia Airlines of Spain is close to selling as much as 75 percent of its 83.5 percent share in Aerolíneas Argentinas in a move to reduce its debt, according to the Spanish newspaper El Mundo.

• Philips Electronics NV is to launch a service in Britain this month that will offer access to the Internet through its CD-I interactive compact disk player, which plays music, movies and games through television sets.

• Aran Study Disputes Arco Bid

Bloomberg Business News

LONDON — Aran Energy PLC said Tuesday that a study it commissioned values its assets at 76 percent more than the \$254 million bid made by its hostile suitor, Atlantic Richfield Co. of Los Angeles.

But analysts dismissed the study, which bases its evaluation on Aran's prospects in a little-explored offshore oilfield in the north Atlantic Ocean, as "wild speculation."

"At this stage, it's just wild speculation," said Robert Gillett, a petroleum consultant at John S. Herold in Stamford, Connecticut. "They have nothing to go by."

• Aran has drilling rights in the Atlantic Margin, an area thought to contain some of the richest untapped oilfields in the north Atlantic region but where exploration is just beginning.

"At this stage, it's just wild speculation," said Robert Gillett, a petroleum consultant at John S. Herold in Stamford, Connecticut. "They have nothing to go by."

INTERNATIONAL FUTURES

High Low Close Chg % Chg High Low Close Chg % Chg

EURODOLLARS (CAMER) \$1 million per \$100 int'l. per day

Dec 95 92.22 92.10 92.10 +0.05 1.05

Jan 96 92.10 92.00 92.00 +0.05 1.05

Feb 96 92.00 91.90 91.90 +0.05 1.05

Mar 96 92.00 91.80 91.80 +0.05 1.05

Apr 96 92.00 91.70 91.70 +0.05 1.05

May 96 92.00 91.60 91.60 +0.05 1.05

Jun 96 92.00 91.50 91.50 +0.05 1.05

Jul 96 92.00 91.40 91.40 +0.05 1.05

Aug 96 92.00 91.30 91.30 +0.05 1.05

Sep 96 92.00 91.20 91.20 +0.05 1.05

Oct 96 92.00 91.10 91.10 +0.05 1.05

ASIA/PACIFIC

Japan Expected To Raid Offices Of Daiwa Bank

Compiled by Our Staff From Dispatches

TOKYO—Japan's financial authorities plan to raid the Osaka and Tokyo offices of Daiwa Bank Ltd. this week following the disclosure last week of a \$1.1 billion bond trading fraud in New York, press reports said Tuesday.

The reports came a day after the Federal Reserve Bank of New York and the New York state banking department ordered Daiwa to reduce its trading operations and maintain them at a "minimum" in the wake of the debacle.

Jiji Press and Kyodo News Service quoted Japanese officials as saying the raids would be carried out jointly by the Finance Ministry and the Bank of Japan sometime this week.

The raids reportedly are aimed at examining the bank's management systems and uncovering the background to the fraud, which took place over a period of 11 years.

The bank's communications systems between Japan and New York are also expected to come under scrutiny, the reports said, adding that the Osaka-based bank had already been informed of the impending raids.

The Finance Ministry refused to comment on the report. "Such investigations are usually carried out without an announcement. We cannot confirm the report," a spokesman said.

The U.S. complaint, signed by Neil Levin, bank superintendent of New York state, and William Wiles, secretary of the Board of Governors of the Federal Reserve System, said Daiwa's "failure to detect the loss or evidence of an unsafe and unsound condition" resulting from the bank's failure to follow routine monitoring procedures and supervise its exchange operations.

The complaint also accused Daiwa of violating banking regulations by not immediately reporting circumstances surrounding the loss to authorities. In addition, the bank may have

"knowingly submitted a misleading and inaccurate report of the branch's condition," as of June 30, regulators said.

Toshio Iguchi, a former vice president of Daiwa's New York branch who is charged with altering the bank's records, reportedly admitted to the wrongdoing in a letter to Daiwa's president in July, U.S. authorities said.

But the bank informed regulators only in late September, the Federal Bureau of Investigation said.

Mr. Iguchi, 44, was arrested last week and jailed on charges of fraud.

The Fed order said Daiwa Bank's operations in New York should be limited to meeting its payment obligations toward clients and managing its current accounts.

The order targets specific bonds, which Mr. Iguchi used to engage in speculation.

Daiwa must also provide daily written reports on its operations, a Fed spokesman said.

Daiwa Bank released a brief statement acknowledging the Fed's actions. "We are doing our best to restore confidence in our bank both at home and abroad," President Akira Fujita said. "We receive these directives with solemnity and will swiftly obey the contents."

Separately, the Ministry of Finance has ordered Japanese banks with branches overseas to examine their in-house management of currency, securities and other market-connected operations, an official said.

(AP/N.Y., Bloomberg)

Shares Close Higher

Japanese share prices closed 2.3 percent higher Tuesday, with the Nikkei index supported by bargain-hunting and a late surge in futures prices, Agence France-Presse reported.

The leading barometer of the Tokyo Stock Exchange rose 403.15 points to finish at 18,429.59, while most other Asia-Pacific markets fell.

Falling Prices Fail to Lift Spirits

Fear and Caution Hold Back Japanese Consumers

By Sandra Sugawara
Washington Post Service

TOKYO — In Akihabara, a bustling hive of stores and sidewalk stalls that offer every consumer electronic product imaginable, wide-screen TV sets are selling for \$1,200 these days, about \$200 less than a year ago. Stereo prices have dropped by 22 percent and VCRs by 12 percent.

In Tokyo department stores, something similar is going on. Lipstick, for example, is down from \$50 to \$35 a tube. And at the upscale Sports Connection fitness club, the required \$4,000 security deposit has been cut by half.

Housing? It's the same story. New condominium owners in the Tokyo suburb of Kawasaki thought they were getting a bargain last year when they purchased small units for \$430,000. Last month, a new building across the street began advertising similar units for \$310,000.

Prices are falling all over Japan and people have a term for it: *kakaku hukai* or "price destruction." Tokyo's consumer price index declined 0.5 percent in August alone.

In a land of \$30 pizzas, \$60 melons and \$100 jeans, one would expect a national shopping spree to begin.

But it has not happened. Many people fear for their jobs and have money and confidence in their jobs are reluctant to buy now because they expect prices to go down further.

"I think it is not worth owning a condo if you cannot sell it later," said Hiroshi

Yamaguchi, 33, who owns a private tutoring school, adding, "I am cautiously looking for one whose value will go up."

Indeed, many in Japan, economists and consumers alike, see the combination of falling prices and continued reluctance to buy as threatening efforts to end their country's four-year recession.

"If the prices go down too much, the economy overall will stop growing, so that's a problem," said Kaoru Fukie, 33, a salesman at a securities firm.

High domestic prices have long been the cornerstone of Japan's export-driven economy. Rigged to favor industry over consumers, the system was designed after World War II to build companies that could catch up with competitors in more advanced countries. Ordinary Japanese had to pay high prices, but the system also gave them one of the world's lowest unemployment rates.

Now, price deflation is slashing into the industrial profits that made Japan into the world's second-largest economy. Such Japanese fixtures as lifetime jobs, low unemployment and generous benefits may be far away the wayside over the next five years as companies scramble to cut costs, economists say.

"This is a very strange change, the kind of transformation that only takes place once every half-century," said Susumu Takemoto, managing director of the Industrial Bank of Japan. "This process will take at least five years, or even a decade. If we look into the 21st century, this is probably good. But in the process, we will have lots of pain."

Prices are falling for a classic textbook reason: The collapse of the 1980s boom

left massive overcapacity. With the economy in recession, demand is down, putting downward pressure on prices. When people still do not buy, the further drop in demand means more production cuts, more jobs lost and so on.

The price decline has been sped by the appearance of American-style discount stores as the economy has opened up somewhat to foreign trade and consumers try to stretch their yen.

On weekends, huge traffic jams often form outside the entrance to discount stores such as Daikin, which has a chain of about 20 stores in the suburbs of Tokyo. Gap Inc., the U.S.-based chain of clothing stores, meanwhile has opened a shop in the Ginza district with prices comparable to those in the West and is attracting large lunchtime crowds.

Some companies, moreover, have found a silver lining in consumers' reluctance to buy: They have gone into the business of advising on how to profit from declining prices.

Take K.K. Halifax Associates, an international real-estate management concern whose business in the boom years centered on buying and selling property in Tokyo. When the company, seeing its business drying up in 1991, came up with the idea of helping tenants bargain for rent cuts, "We were told, 'You don't do business like that in Japan. It's rude,'" James R. Fine of Halifax said.

But soon, pressures were leading renters to demand cuts. Clients began slashing rents, and suddenly it became the way one does business in Japan. Halifax's main business these days: conducting rent-reduction negotiations.

Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
10000	2300	20000
9500	2200	18000
9000	2100	16000
8500	2000	14000
M J J A S O 1995	M J J A S O 1995	M J J A S O 1995
Exchange	Index	Tuesday Close
Hong Kong	Hang Seng	9,895.46
Singapore	Straits Times	2,110.40
Sydney	All Ordinaries	2,132.00
Tokyo	Nikkei 225	18,142.99
Kuala Lumpur	Composite	977.24
Bangkok	SET	1,295.32
Seoul	Composite Index	Closed 975.79
Taipei	Stock Market Index	5,035.79
Manila	PSE	2,617.68
Jakarta	Composite Index	487.80
Wellington	NZSE-40	2,116.59
Bombay	Sensitive Index	Closed 3,485.18

Source: Telekurs

International Herald Tribune

Very briefly:

• Vietnam expects growth of 9 percent to 10 percent annually the next five years, fueled by exports and foreign investment. Prime Minister Vo Van Kiet told the National Assembly.

• ADC Telecommunications Inc. of the United States and Hitachi Telecom Inc. formed a long-term alliance covering sales, marketing and support of Hitachi's telecommunications products in North America, Mexico, and the Caribbean; financial details were not disclosed.

• Fujitsu Ltd. will announce Friday an alliance with Lexmark International Inc. of the United States to market color inkjet printers in Japan.

• Mitsukoshi Ltd. of Japan plans to open three department stores in Taiwan in the next three years through its joint venture with the Taiwan insurer Shing Kong; the venture already has two stores in Taipei and one in Kaohsiung.

• Pioneer Electronic Corp. plans to launch two new compact-disk players and a mixer over the next two months aimed at the professional and amateur disk-jockey market.

• Daiwa Securities Co. will begin trading securities listed on the Philippine Stock Exchange on Oct. 23 through a joint venture with Development Bank of the Philippines.

• France donated about \$3 million to add or upgrade 6,000 telephone lines in Cambodia, bringing the country's total to 20,075 lines, or about one for every 500 people, a Cambodian telecommunications official said.

• Thailand's consumer index rose 6.2 percent in September from a year earlier, the highest monthly rate this year.

• Australian business conditions slowed in the three months ended in August, the Chamber of Commerce and Industry said.

• Kenetech Corp. of the United States has agreed with the government of Tamil Nadu state in India to generate 300 megawatts of electricity using windmills and is looking for other partners in the country.

• South Korea will lend Burma \$16.8 million for an electric power distribution project, the state-owned newspaper New Light of Myanmar said.

AFP, AP, Reuters, Bloomberg

Taiwan Venture Funds Offer Head Start

Bloomberg Business News

TAIPEI — You missed the last high-tech rally in New York. You were left in the dust in Tokyo. Now you are sure potential abounds in Taiwan, but how can you make sure you buy the right stocks in time?

Buy them before they are offered to the public.

One way to do that is to put money into Taiwan's venture-capital funds. Compared with purchasing stocks traded on the Taiwan Stock Exchange, the funds are wide open to foreigners, and the payoffs can be huge.

"You can earn even larger returns if you can invest in successful companies earlier," says David Chung of H&Q Taiwan

Co., a unit of Hambrecht & Quist Inc.

Venture-capital funds aim to reward investors with better-than-average profits in exchange for risking money on companies with relatively unproven track records. The funds seek out private, profitable companies with bright futures that need cash.

By buying a stake in these companies before they go to the stock market, the funds get on the ground floor.

The venture capitalists have plowed more than half of their money into Taiwan's budding high-technology companies, not just because the world needs more of their equipment but also because Taipei has eased the rules on taking these companies public.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

"Taiwan's high-tech companies have been some of the world's best investments in recent years," said Su Shih-jong, director of the Taipei Venture Capital Association, an industry group.

The average return at Taiwan's 28 venture capital funds last year was about 15 percent, with some funds earning more than double that.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

But of course there are substantial risks involved in betting on capital-hungry companies. In addition, there is a catch for local and foreign investors who cash in gains. Under local rules, Mr. Su said, funds cannot be closed until they have been in operation for seven years.

NASDAQ

Tuesday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

NYSE

Tuesday's 4 p.m. Close
(Continued)

	Div	Yld	P/E	EPS	High	Low	Last	Chg.
12 Month High/Low Stock								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
52								
53								
54								
55								
56								
57								
58								
59								
60								
61								
62								
63								
64								
65								
66								
67								
68								
69								
70								
71								
72								
73								
74								
75								
76								
77								
78								
79								
80								
81								
82								
83								
84								
85								
86								
87								
88								
89								
90								
91								
92								
93								
94								
95								
96								
97								
98								
99								
00								
01								
02								
03								
04								
05								
06								
07								
08								
09								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
52								
53								
54								
55								
56								
57								
58								
59								
60								
61								
62								
63								
64								
65								
66								
67								
68								
69								
70								
71								
72								
73								
74								
75								
76								
77								
78								
79								
80								
81								
82								
83								
84								
85								
86								
87								
88								
89								
90								
91								
92								
93								
94								
95								
96								
97								
98								
99								
00								
01								
02								
03								
04								
05								
06								
07								
08								
09								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
52								
53								
54								
55								
56								
57								
58								
59								
60								
61								
62								
63								
64								
65								
66								
67								
68								
69								
70								
71								
72								
73								
74								
75								
76								
77								
78								
79								
80								
81								
82								
83								
84								
85								
86								
87								
88								
89								
90								
91								

SPORTS

Bills Top Browns on Late Kick

The Associated Press
CLEVELAND — The no-huddle offense and the Buffalo Bills are very much alive.

"That's the offense we shine on," Jim Kelly said Monday after he drove Buffalo to the winning field goal in the closing seconds of a 22-19 National Football League victory over the Cleveland Browns. "That's the offense I love. That's the offense that carried us to four Super Bowls in the past."

Buffalo, which had little success trying a more conventional approach at the start of the season, spent most of the game in the hurry-up — its trademark during a run of four straight Super Bowl appearances.

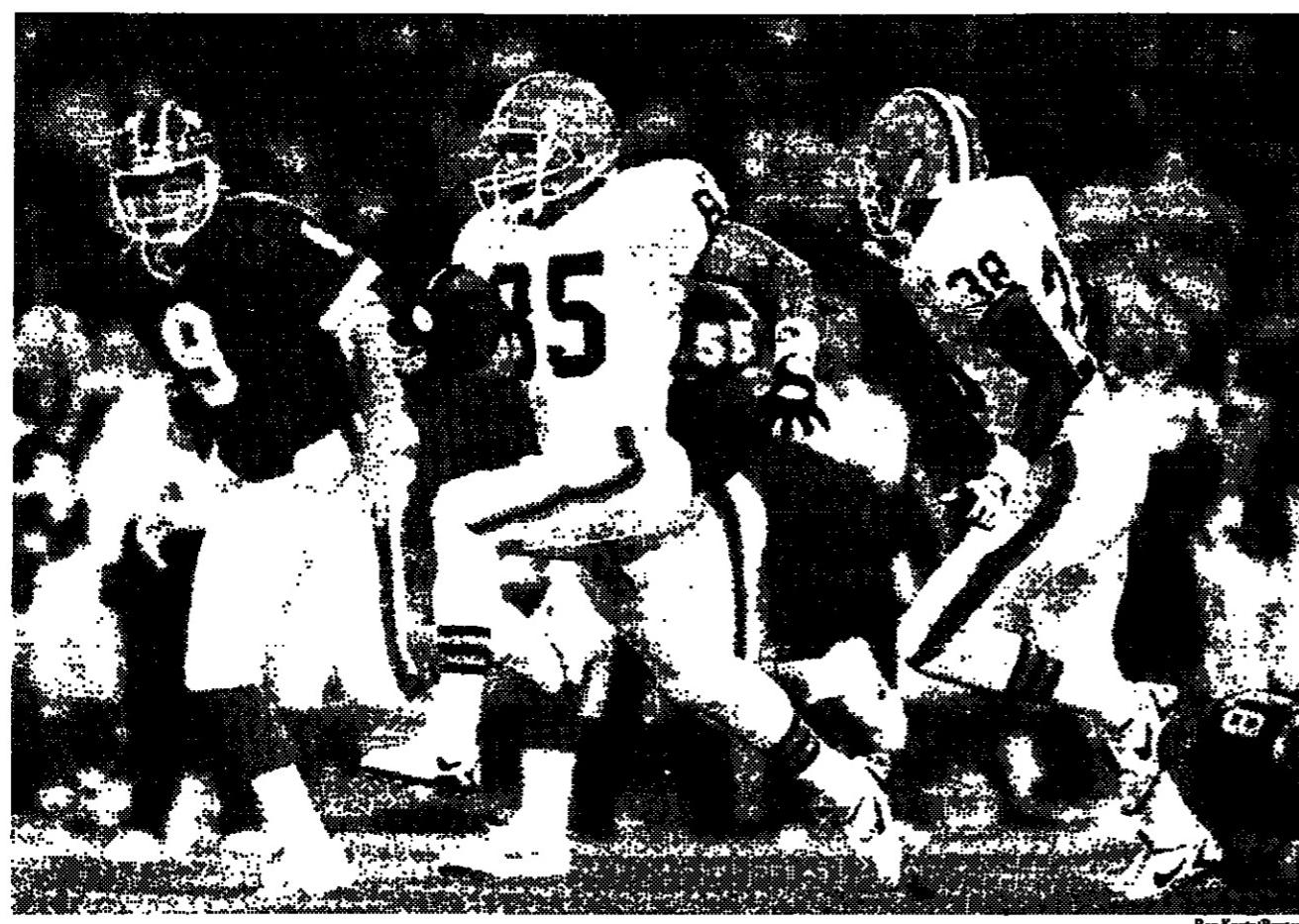
Kelly looked as comfortable as ever, particularly when it mattered. Starting at his own 26 with the game tied and less than four minutes to play, he hit Russell Copeland with a 20-yard pass, then let Thurman Thomas take the ball into field-goal range with runs of 4, 8 and 18 yards.

The drive set up Steve Christie for a 33-yard attempt, which on this night was anything but a sure thing. Christie had already missed a 22-yard attempt and an extra-point try, and his first chance at the winning kick also sailed to the left.

But the Browns, trying to worry him, called timeout before the Bills got the play off, and that gave Christie another opportunity. He nailed it, with five seconds left.

Kelly, who came into the game having hit less than 42 percent of his passes, hit 27 of 34 for 256 yards, including TDs of 14 yards to Justin Armour and 41 yards to Andre Reed.

The pass to Reed with 6:30 left should have given Buffalo a 16-16 lead, but Christie missed the extra point. The Browns capitalized, tying it at 19 when Matt Stover kicked his fourth field goal on their next possession.



Cleveland's Derrick Alexander bursting away to score on a 69-yard punt return. But Buffalo had the final say, 22-19.

Bulls Acquire Rodman

The Associated Press

DEERFIELD, Illinois — The Chicago Bulls, figuring they were missing a strong rebounder who could make them a champions again, have found one — the game's best.

But will Dennis Rodman bring more trouble and headaches with him when he joins the team this week?

"It's risk-reward as you go through this kind of thing," the Bulls coach, Phil Jackson, said Monday after the Bulls acquired Rodman from the San Antonio Spurs for Will Perdue. "Sometimes life gets really boring, and we need to spice it up."

Rodman will do that. He'll not only grab 17 rebounds a game but will do it in an assortment of colors — hair colors, that is. Orange, green, red, blond. He'll be sporting as many earrings as he wants, and tattoos, too.

The Bulls can handle all that. But showing up late, missing practices, taking his shoes off and sitting on the sideline floor during a game — the Bulls hope not to see that from Rodman, who's making \$2.5 million this season.

Rodman, 34, has led the NBA in rebounding the last four seasons, averaging 17.7. His career averages are 12.5 rebounds and 8.2 points.

SIDELINES

NBA Sets All-Star Voting Abroad

NEW YORK (AP) — Fans around the world will select the lineups for next year's National Basketball Association All-Star Game under an expanded voting procedure announced Tuesday.

Ten million ballots will be distributed in more than 2,100 Foot Locker shoe stores in Hong Kong, Australia, Europe and North America starting Nov. 8.

Another five million ballots will be distributed in the NBA's 29 arenas the same day. Balloting concludes Jan. 12.

Taiwan May Bar Magic Johnson

TAIPEI (AP) — Health officials said Tuesday they were considering whether to allow Magic Johnson, who has the AIDS virus, to visit Taiwan with his All-Star basketball team Oct. 30 to Nov. 2.

Taiwan bars entry of people who have major contagious diseases, including the virus which causes AIDS. But Chang Po-ya, director general of the Department of Health, said Johnson may be allowed in if he can convince the government he will raise awareness of AIDS.

Last Act of a Victim and Star

International Herald Tribune

LONDON — Albert Johannesson, a delicate craftsman of the wing who thrilled thousands for a decade, died in solitude last week.

His body was found Friday by policemen who entered his tower block flat in Leeds, England. It may have been there for two days but, though Johannesson was only 55, the death certificate will read "Natural Causes."

That is an official lie. Albert Johannesson, born black in South Africa, was a man, a star, who was born and died a victim of apartheid.

He was ill at ease in the spotlight of fame.

Articulate mainly with a soccer ball at his feet, he moved with quick, wispy control. No one tutored Albert, and few could work out the mechanics, the improvisation nature put into him. Albert could trick most white men he played against. Yet he remained socially subservient to the end.

Discrimination conditioned him. He aspired to nothing more than being a cobbler, a member of shoes in Johannesburg. And though he was lifted from that by an ability to put boot to ball, the upbringing crippled his self esteem.

Many Englishmen and women, blind to his color and adoring of his class, tried to befriend and care for him. Though an inoffensive man, Albert never let it happen. He slipped out of fame's decade, out of the circle of stardom. He became intermittently a hobo, a recluse wandering the canal wharfs of Leeds.

His social stiffness was more than shyness. His marriage failed, and few now know where Norma, his Jamaican-born wife, and their two daughters went.

The former family home in a desperate Leeds area was boarded up. From time to time, when the Leeds United team he graced held reunions, people tried to invite him. When he could be found, he might promise to turn up, but those were promised diluted by alcohol and methylated spirits.

Ultimately, his death had the same pitiable ring, the suspicion that perhaps it was a release, as that of Garrincha, the little bird of three Brazilian World Cups who similarly perished around life's half time a dozen years ago.

Garrincha, so named after the native Brazilian bird he hunted in childhood, came to soccer with a withered leg, the legacy of polio. He turned that impediment into a tool of unorthodoxy with which to bend the flight of the ball, to swerve away from defenders.

Like Johannesson, Garrincha was a broken wing when it came to the sporting after-life. He abandoned his wife and seven daughters, passed through alcoholic institutions, and for two days after his death went unidentified.

But whatever fed Garrincha — alias Manoel Francisco dos Santos — to that end it cannot be said he had been apartheid. Brazil, long before he performed in the side of Pelé, Vava, Zagalo, was

famous for recruiting any child from any background so long as he had the gift.

Johannesson, by contrast, was on the threshold of manhood before he dreamed of football. He was recommended to Leeds by an African school teacher who saw him kick a ball for the first time at 18 and marveled at the uninhibited innocence.

From 1960 to 1969, Johannesson played 194 games for Leeds, scoring 67 goals and setting up many more. He was the first black immigrant to play in a Wembley Cup Final; he scored five times in his eight European appearances. Fans recite his goal on Easter Monday, 1964, against Newcastle United: "Our Albert," they say, "danced with the ball. He sidestepped three of them, saw the keeper coming, and chipped it into the net."

Belief, next to talent, is the sportsman's triumph. Johannesson could not summon it consistently. Some instinctively knew he was too timid to impose his flair, but Billy Bremner, the Leeds skipper of those days, recalled: "Albert had no confidence. He could play, he was bloody quick, and Bobby Collins could sometimes get him up. But it was as if Albert couldn't believe it was happening to him, as if he thought a black man wasn't entitled to be famous."

South African apartheid had its English abettors. There were spectators who baited Johannesson with vile Zulu chants, fullbacks who kicked him because they thought black men lacked courage.

The stigma stuck to Johannesson. After a series of leg injuries, he slipped down to lower division soccer with York City, and succeeding blacks were branded cowards.

Slowly, the awareness dawned that black athletes were not exactly failing behind in power events. Slowly, soccer managers woke up to the folly of stereotyping, and perhaps saw it as a weakness of the white mind.

Now, as Albert Johannesson is laid to rest in a pauper's grave, the game has turned full circle. Leeds a couple of seasons ago took two young players — Phil Masinga and Lucas Radebe — from Soweto and tried to recreate the Johannesson years. The jury is still out on their progress. Radebe has suffered injuries. Masinga has flatlined to deceive. But while they, the Johannesson apprentices, are on the fringe, a new and expensive Leeds hero has center stage.

The club paid £3.4 million to hire Tony Yeboah, Nigerian who had met racism while playing for Eintracht Frankfurt in Germany. Yeboah is England's current sensation.

Big, strong and fearless, he scores, almost every time, goals of breathtaking quality. Leeds United is building a multimillion-pound commercial enterprise off the broad back of its latest example of color blindness.

Albert has gone. But he left his mark, he opened the door, and the only thing he leaves on the conscience of observers like me is the fact that we publicize his last act. He would have preferred to have gone quietly.

Rob Hughes is on the staff of The Times

SCOREBOARD

BASEBALL

Major League Standings

	FINAL STANDINGS		AMERICAN LEAGUE	
	East Division	W	L	Pct.
x-Boston	86	58	97	.463
x-New York	79	65	94	.549
Baltimore	71	73	94	.515
Detroit	69	84	917	.417
Toronto	54	86	909	.399
Central Division	100	64	594	.544
California	70	74	496	.530
Kansas City	68	76	472	.532
Chicago	66	77	451	.533
Astros	67	76	459	.522
Minnesota	56	86	389	.444
West Division	79	66	545	.544
California	70	67	531	.511
Texas	78	70	514	.512
Oakland	67	79	469	.511
National League	100	64	525	.545
Atlanta	90	74	452	.521
New York	69	75	455	.521
Philadelphia	67	75	455	.521
Florida	67	76	459	.522
Venezuela	63	61	508	.515
Chicago	47	79	373	.327
Montreal	66	78	453	.424
Central Division	85	59	590	—

Monday's Line Score

AMERICAN LEAGUE

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

East

	W	L	T	Pct.	GB
x-Boston	86	58	97	.463	—
x-New York	79	65	94	.549	7
Baltimore	71	73	94	.515	15
Detroit	69	84	917	.417	24
Toronto	54	86	909	.399	30

Central League

West

	W	L	T	Pct.	GB
x-York	80	47	53	.572	—
Seattle	72	54	51	.574	7
Pittsburgh	72	54	51	.574	15
Chicago	63	61	508	.515	23
Cincinnati	47	79	373	.327	35
Houston	44	81	0	.352	35
Jacksonville	14	9	20	.400	61
Total	100	64	525	.544	—

Monday's Results

Japanese Leagues

Central League

West

	W	L	T	Pct.	GB
x-Yokohama	80	47	53	.572	—
Hiroshima	72	54	51	.574	7
Seibu	65	57	56	.531	13%
Nippon Ham	59	67	3	.469	21%
Doloi	54</td				

OBSERVER

Where It's At Now

By Russell Baker

NEW YORK — I am turning over a new leaf. Giving up my old stick-in-the-mud ways. Kissing the past goodbye.

So long, you old past. I am going modern. Starting today I want to do nothing ever again that is not as up-to-date as the telemarketing call I just received.

It was a cure for baldness they were telemarketing. At two minutes past 2 o'clock in the afternoon. Talk about the glories of living up to date! Your old granddaddy never got a phone call at 2:02 P.M. offering him a bargain in a brand new head of hair, did he now?

Mine didn't. He didn't need it either, because he had a full head of hair till he died. But if he had needed it, it would have been: "Tough buns, Granddad! You were born 50 years too soon for the scalp-enhancing benefits of telemarketing."

Me too. Don't need it. But it's good knowing it would have been there for me if I had needed it.

These sentences here. Not complete. These sentences. That's because they're modern sentences. Saying goodbye to those old-fashioned sentences with subject, predicate and all that. So long, you old sentences. You. Because I want to be where it's at.

I want to fax things. I want to downsize.

I want to cut a deal worth billions. Sell out to Disney. I want to pull down \$100 million like Ted Turner for selling out to Time Warner.

I want a tax cut. Something that'll give me the incentive to invest my \$100 million in other businesses. Businesses that will make new jobs for all the people I downsized.

I want to send E-mail. Because it's fast. Immediate. The immediate way to communicate. The old me recoiled when people said "communicate."

Did I know what communicating was. Thought it was just a lot of noise generated because everybody suddenly had powerful new noise generators to fill the hours when they would otherwise have had nothing to do but think.

□

What a mossa back. The old me, I mean. Gone now, though. Now I want to communicate just like everybody else.

Want to fax. Want to send E-mail. Want to leave messages on voice mail. Messages on other people's phone-answering machines. Want to tell them to phone my answering machine and communicate about when and how we can enjoy interpersonal communication.

I want to communicate interpersonally. Want to leave a message on my own phone-answering machine.

I want to phone somebody on radio and tell my problem. Tell the whole radio world: "I'm really terrifically satisfied with my life these days. What's wrong with me?"

I want to drive around in an \$80,000 German convertible, and a \$50,000 English safari truck, and a Detroit pickup truck named Clyde with tires eight feet in diameter, and a gun rack in the back window, and a six-pack on the seat.

I want to be courted at lunch by ruthless dynamos of the entertainment world and get called away on my pocket cellular phone. Want to appear in the nude on the cover of *Vanity Fair*. Want Avedon photograph me looking ghastly for *The New Yorker*.

I want, want, want, want... Oh, all the lovely nowness!

New York Times Service

One Right Move: Carl Franklin's Winding Road

By Bernard Weinraub
New York Times Service

LOS ANGELES — It has been a long, arduous journey for Carl Franklin, a journey in which the 46-year-old movie director and former actor teetered for years on the edge of financial disaster, endured harsh personal ordeals and remained committed to a career that seemed to be going nowhere.

"Just starting to come out of it," he said the other day with a laugh.

The comment is a bit of an understatement. His latest and biggest film, "Devil in a Blue Dress," starring Denzel Washington as Easy Rawlins, the main character in the mystery novels of Walter Mosley, went to strong reviews last week.

The film, which follows "One False Move," his acclaimed thriller about three Los Angeles cocaine dealers who flee to an Arkansas town, has placed Franklin in the top tier of filmmakers.

It delights him that his emergence has been so sudden that, when "One False Move" was released in 1992, most studios were unaware that he was black. In fact he is a rarity in Hollywood: a black man who has been offered films without racial personal communication.

I want to communicate interpersonally. Want to leave a message on my own phone-answering machine.

I want to phone somebody on radio and tell my problem. Tell the whole radio world: "I'm really terrifically satisfied with my life these days. What's wrong with me?"

I want to drive around in an \$80,000 German convertible, and a \$50,000 English safari truck, and a Detroit pickup truck named Clyde with tires eight feet in diameter, and a gun rack in the back window, and a six-pack on the seat.

I want to be courted at lunch by ruthless dynamos of the entertainment world and get called away on my pocket cellular phone. Want to appear in the nude on the cover of *Vanity Fair*. Want Avedon photograph me looking ghastly for *The New Yorker*.

I want, want, want, want... Oh, all the lovely nowness!

New York Times Service



Kam Johnson/The New York Times

Carl Franklin, director of "Devil in a Blue Dress," on the Sony Pictures lot in Culver City, California.

L.A. noir. The big difference in this movie is that many of the key characters are black, and Franklin thoroughly identifies with them.

"I love film noir, but this film is especially social realism married to film noir," he said, sipping a late afternoon cappuccino in an empty outdoor cafe. "It's about people I know, people I grew up with, a guy, Easy Rawlins who's a veteran of World War II, who's working at a 30-to-5 job, who bought a little house, who's established a kind of superficial version of the American dream."

"Then he loses his job and gets introduced into the subterranean world where the American dream truly exists. He gets introduced into a world where crooked deals are made and there's all this dirty laundry of the

movers and shakers. It opens his eyes and he manages to navigate these waters, coming out reasonably morally and physically intact."

Washington decided he wanted to work with Franklin immediately after seeing "One False Move."

"I had wanted to play Easy Rawlins for a while," the actor said, "and then I saw 'One False Move' and I said to myself, 'This guy, Carl Franklin is right.' The film was just different. It was scary. It was odd. There was a certain realism about it, but it was also surreal."

Washington called Franklin "a real actor's director, maybe because he was born, and a cleaning woman who was partially blinded by laundry solution and was barely able to work. He attended the University of California at Berkeley in the 1960s, intending to become a lawyer or teacher, but stumbled into acting when a teacher asked him to read for a role in Strindberg's "Miss Julie."

In 1971 he moved to New York, where he played minor roles in "Cymbeline" and "Timon of Athens" for Joseph Papp's Shakespeare in the Park. He also appeared

Franklin said that in his early life in the blue-collar shipyard town of Richmond, California, he had been surrounded by struggling and resilient black men like Easy Rawlins.

Franklin is the son of a brick mason who died suddenly, before he was born, and a cleaning woman who was partially blinded by laundry solution and was barely able to work. He attended the University of California at Berkeley in the 1960s, intending to become a lawyer or teacher, but stumbled into acting when a teacher asked him to read for a role in Strindberg's "Miss Julie."

In 1971 he moved to New York, where he played minor roles in "Cymbeline" and "Timon of Athens" for Joseph Papp's Shakespeare in the Park. He also appeared

in several plays at Lincoln Center and at the Arena Stage in Washington.

But he was constantly broke, and living in New York left him uneasy and lonely. He returned to California, doing stage work and some television.

"I did them to pay the bills. I kept getting really disillusioned with acting, but I needed those jobs because I was married. I had two children, three with my stepdaughter."

By the mid-1980s Franklin was, he acknowledged, at loose ends. He had been divorced once, and his second marriage was collapsing. He made plans to produce and write a film that resulted in his mortgaging and losing his house.

In 1986, in a desperate attempt to stay in the business and learn to write and direct, Franklin applied to the American Film Institute. "There were stories I wanted to tell," he said. He earned a master of fine arts degree in directing at the film institute, and began working as a feature director for Roger Corman's Concorde Films.

"They called me on a Thursday and asked me to turn in a treatment by Monday, something that had to be shot in the Philippines," Franklin recalled. He spent five months directing the movie, about the Vietnam war. "I won't tell you the name of it," he said with a smile.

Returning to Los Angeles, he completed his thesis film, "Punk," about a black, fatherless youngster who is terrified of a molester. The film drew the attention of Jesse Beaton, an independent producer who became Franklin's partner.

In its first weekend, "Devil in a Blue Dress" was No. 3 at the box office, behind "Seven" and "Halloween: The Curse of Michael Myers." It was a disappointment for Franklin and Tristar Studios, where the film was made. "Somehow the response in the theaters is not commensurate with the amount of people seeing it," he said. "It's an adult film, not an action film. Our hope is that mature audiences will go to see it. Maybe it'll build."

He laughed. "You never know about the movie business, do you?"

WEATHER

Europe

Forecast for Thursday through Saturday, as provided by Accu-Weather.



Asia

	Today				Tomorrow			
	High	Low	W	C	High	Low	W	C
Bangkok	31.68	25.77	+	SC	32.85	24.75	+	SC
Beijing	18.94	13.27	+	S	18.61	13.27	+	S
Hong Kong	24.82	24.74	+	SC	24.82	24.74	+	SC
Kuala Lumpur	30.43	24.75	+	SC	30.87	25.73	+	SC
Manila	34.93	24.75	+	SC	34.93	24.75	+	SC
Singapore	27.00	21.70	+	SC	27.00	21.70	+	SC
Taipei	30.68	23.73	+	SC	31.89	23.73	+	SC
Tokyo	28.82	22.71	+	SC	28.82	22.71	+	SC
Tunis	22.73	18.61	+	SC	22.73	18.61	+	SC

North America

	Today				Tomorrow			
	High	Low	W	C	High	Low	W	C
Anchorage	8.43	1.91	+	SH	9.48	1.94	+	PC
Atlanta	25.79	19.77	+	PC	25.77	14.57	+	PC
Baltimore	21.70	11.62	+	S	21.70	11.62	+	S
Denver	18.61	12.55	+	SC	18.61	12.45	+	SC
Detroit	20.63	11.97	+	SC	20.63	11.97	+	SC
Houston	28.69	20.72	+	SC	28.69	20.72	+	SC
Ice Harbor	22.73	18.61	+	SC	22.73	18.61	+	SC
Los Angeles	22.71	18.64	+	SC	22.71	18.64	+	SC
Minneapolis	22.71	18.64	+	SC	22.71	18.64	+	SC
Phoenix	27.68	21.70	+	SC	27.68	21.70	+	SC
Portland	22.71	18.61	+	SC	22.71	18.61	+	SC
Reno	22.71	18.61	+	SC	22.71	18.61	+	SC
Seattle	22.71	18.61	+	SC	22.71	18.61	+	SC
St. Louis	22.71	18.61	+	SC	22.71	18.61	+	SC
Tampa	22.71	18.61	+	SC	22.71	18.61	+	SC
Toronto	22.71	18.61	+	SC	22.71	18.61	+	SC
Washington	22.71	18.61	+	SC	22.71	18.61	+	SC

Latin America

	Today				Tomorrow			
	High	Low	W	C	High	Low</th		